



**Operating & Capital Budget**  
**FISCAL YEAR**  
**2022-2023**

# CAMROSA WATER DISTRICT



BUILDING WATER  
SELF-RELIANCE

## **MISSION STATEMENT**

*"The Mission of Camrosa Water District is to meet the current and future needs of the community for water and sanitary services. Our products and services will be reliable, affordable, responsive and of high quality. At the same time, the District will prudently manage and maintain the District's assets, honor the public's trust, and maintain public awareness and confidence in the District's activities."*

# CAMROSA WATER DISTRICT

## **Board of Directors**

Eugene F. West, *President*  
Terry L. Foreman, *Vice-President*  
Al E. Fox, *Director*  
Jeffrey C. Brown, *Director*  
Timothy H. Hoag, *Director*

## **General Manager**

Tony L. Stafford

## Table of Contents

<b>List of Acronyms and Abbreviations .....</b>	<b>8</b>
<b>Glossary.....</b>	<b>9</b>
<b>Budget Message .....</b>	<b>11</b>
The California Water Crisis .....	11
Externalities.....	11
The Impact of Weather.....	12
Increase of Imported Water Costs.....	14
Effective Asset Management.....	21
Cybersecurity .....	21
State Mandates .....	22
Water Conservation and Drought Planning Act of 2018 .....	22
Water Quality Regulations.....	23
Groundwater Management.....	23
<b>Mission Statement &amp; Vision Statement.....</b>	<b>25</b>
<b>Profile of the District.....</b>	<b>26</b>
District Services and Management.....	26
Board of Directors .....	28
General Manager .....	28
<b>Financial Policies .....</b>	<b>30</b>
Reserve Policy .....	30
Investment Policy .....	30
Debt Policy .....	30
Budget Policy .....	30
Pension Funding Policy.....	30
<b>Basis of Budgeting &amp; Accounting .....</b>	<b>31</b>
Budgetary Control .....	31
Budget Process .....	31
Budget Calendar .....	32
Budget Resolution .....	33
<b>Budget Summary .....</b>	<b>34</b>
<b>Water Program .....</b>	<b>35</b>
<b>Potable Water Program .....</b>	<b>36</b>
<b>Non-Potable Water Program .....</b>	<b>37</b>
<b>Wastewater Program .....</b>	<b>38</b>
<b>Revenues .....</b>	<b>39</b>
<b>Expense Centers.....</b>	<b>42</b>
<b>Expense Summary By Program.....</b>	<b>44</b>
Human Resources – Program 05.....	45
General Administration – Program 10 .....	47
Information Services – Program 11 .....	49
Resource Planning & Engineering Services – Program 12 .....	51



Water Resource Management – Program 22 .....	53
Customer Services – Program 24 .....	55
Water Quality – Program 25 .....	57
Buildings/Grounds & Rolling Stock – Program 26 .....	59
Potable Water Production & Distribution – Program 52.....	61
Non-Potable Water Production & Distribution – Program 53 .....	63
Wastewater Collection & Treatment – Program 57 .....	65
<b>Capital Projects Summary.....</b>	<b>67</b>
<b>Carryovers and Closeouts .....</b>	<b>68</b>
<b>Capital Projects Carryover Details .....</b>	<b>69</b>
<b>Capital Projects FY 2022-23 .....</b>	<b>73</b>
<b>Reserves .....</b>	<b>77</b>
Restricted Reserves .....	77
Unrestricted Reserves .....	77
<b>Debt Service .....</b>	<b>83</b>
Water Debt Service Ratio .....	84
Wastewater Debt Service Ratio.....	85
<b>Five-Year Capital Outlay.....</b>	<b>86</b>
<b>Five-Year Financial Forecast .....</b>	<b>88</b>
<b>Appendices.....</b>	<b>98</b>

## Index of Figures

Figure 1 – Average Rainfall.....	13
Figure 2 – Potable and Non-Potable Water Sales .....	14
Figure 3 – Percentage of Import Water in Total Water Supply .....	15
Figure 4 – Historical Water Sources .....	16
Figure 5 – Historical Water Deliveries to Pleasant Valley CWD .....	17
Figure 6 – Projected Cost of Import Water.....	18
Figure 7 – Cost per Acre-Foot Delivered by Major Cost Center (Potable & Non-Potable) .....	19
Figure 8 – Water Rate Comparison .....	20
Figure 9 – Sewer Rate Comparison .....	21
Figure 10 – District Map Boundaries .....	26
Figure 11 – FY2021-22 Percent of Water Revenues by Customer Class .....	27
Figure 12 – Comparison of Total Revenues.....	41
Figure 13 – Comparison of Total Expenses .....	43
Figure 14 – Unrestricted Potable Water Reserves.....	80
Figure 15 – Unrestricted Non-Potable Water Reserves .....	81
Figure 16 – Unrestricted Wastewater Reserves.....	82
Figure 17 – Historical Debt Services Coverage Ratios – Water.....	84
Figure 18 – Historical Debt Service Coverage Ratios – Wastewater .....	85

## Index of Tables

Table 1 – Projected Potable Water Operations .....	89
Table 2 – Projected Potable Capital Replacement Fund .....	90
Table 3 – Projected Potable Capital Improvement Fund.....	91
Table 4 – Projected Non-Potable Water Operations .....	93
Table 5 – Projected Non-Potable Capital Replacement Fund.....	94
Table 6 – Projected Wastewater Operations.....	95
Table 7 – Projected Wastewater Capital Replacement Fund.....	96
Table 8 – Projected Wastewater Capital Improvement Fund .....	97

*California Society of  
Municipal Finance Officers*

*Certificate of Award*

***Operating Budget Excellence Award  
Fiscal Year 2021-2022***

*Presented to the*

***Camrosa Water District***

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

***February 28, 2022***



*Marcus Pimentel*

**Marcus Pimentel  
CSMFO President**

*Michael Manno*

**Michael Manno, Chair  
Recognition Committee**

***Dedicated Excellence in Municipal Financial Reporting***

## List of Acronyms and Abbreviations

<b>AF</b>	Acre-Foot/Feet
<b>ACWA-JPIA</b>	Association of California Water Agencies-Joint Powers Insurance Agency
<b>AMR</b>	Automated Meter Reader/Reading
<b>ASRB</b>	Arroyo Santa Rosa Basin
<b>AWAVC</b>	Association of Water Agencies Ventura County
<b>CIMIS</b>	California Irrigation Management Information System
<b>CIP</b>	Capital Improvement Program
<b>CMWD</b>	Calleguas Municipal Water District
<b>CSUCI</b>	California State University of Channel Islands
<b>CSMFO</b>	California Society of Municipal Finance Officers
<b>CWRF</b>	Camrosa Water Reclamation Facility
<b>DWR</b>	Department of Water Resources
<b>EDU</b>	Equivalent Dwelling Unit
<b>ELAP</b>	Environmental Laboratory Accreditation Program
<b>FTE</b>	Full-time Equivalent
<b>FY</b>	Fiscal Year
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GASB</b>	Government Account Standards Board
<b>GFOA</b>	Government Finance Officers Association
<b>GSA</b>	Groundwater Sustainability Agency
<b>GSP</b>	Groundwater Sustainability Plan
<b>HCF</b>	Hundred Cubic Foot
<b>LAIF</b>	Local Agency Investment Fund
<b>MG</b>	Million Gallons
<b>MGD</b>	Million Gallons per Day
<b>MOU</b>	Memorandum of Understanding
<b>MS</b>	Meter Station
<b>MSF</b>	Meter Service Fee
<b>MWD</b>	Metropolitan Water District
<b>NPDES</b>	National Pollutant Discharge Elimination Systems
<b>PDR</b>	Preliminary Design Report
<b>PERS</b>	Public Employees' Retirement System
<b>PFAS</b>	Polyflouroalkyl Substances
<b>PS</b>	Pump Station
<b>PV</b>	Pleasant Valley
<b>PZ</b>	Pressure Zone
<b>RMWTP</b>	Round Mountain Water Treatment Plant
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SGMA</b>	Sustainable Groundwater Management Act
<b>SRGWMP</b>	Santa Rosa Groundwater Management Plan
<b>SWP</b>	State Water Project
<b>SWQCB</b>	State Water Quality Control Board
<b>SWRCB</b>	State Water Resources Control Board
<b>TCP</b>	1, 2, 3,-Trichloropropane
<b>THM</b>	Trihalomethanes
<b>UWMP</b>	Urban Water Management Plan



## Glossary

The FY2022-23 budget contains terminology that is unique to public finance and budgeting. The following Budget Glossary provides assistance in understanding these terms.

**Accrual Basis of Accounting:** The basis of accounting under which transactions are recognized when they occur, regardless of the timing of cash receipts and disbursements.

**Acre-Foot:** The volume of water that will cover one acre to a depth of one foot. One acre-foot equals 435.6 units or 325,850 gallons.

**Appropriation:** The annual budget adopted by the District's Board for monitoring and control purposes, serving as a financial plan.

**Balanced Budget:** A balanced financial plan for a specified period of time that matches all planned revenues and expenditures with various services. The District uses a fiscal year beginning July 1 and ending June 30 for budgetary and financial reporting purposes.

**Bond:** A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are authorized in a District bond resolution. Bonds are frequently used for construction of large capital projects such as buildings, reservoirs, pipelines and pump stations.

**Capital Budget:** The portion of the annual budget that appropriates funds for the purchase of capital equipment items and capital improvements. These expenditures are separate from regular operating items, such as salaries, utilities and office supplies.

**Calleguas Municipal Water District:** The District has access to Metropolitan Water District (MWD) imported water through Calleguas Municipal Water District's entitlement as a member agency of MWD.

**Capital Improvement Program:** A long-range plan for the construction, rehabilitation and modernization of District owned and operated infrastructure.

**Class of Service:** All customers are classified based on the primary use of water on their parcel; broad classifications include (but are not limited to) residential, industrial, agriculture, etc. The water rate per unit is determined by this classification.

**Debt Service Coverage Ratio:** The ratio of net revenue to annual interest and principal payments on debt.

**Debt Service:** The District's obligation to pay the principal and interest of bonds and other debt instruments according to a predetermined payment schedule.

**Depreciation:** An expense recorded to allocate a tangible asset's cost over its useful life.

**Enterprise Fund:** Fund that provides goods or services to the public for a fee that makes the entity self-supporting.

**Equivalent Dwelling Unit:** A one single-family dwelling unit or its equivalent. An equivalent dwelling unit is assumed to discharge wastewater at a flow and strength equal to that of an average single-family dwelling unit.

**Expenditure:** These terms refer to the outflow of funds paid or to be paid for assets, goods or services obtained regardless of when actually paid. \*Note: An encumbrance is not an expenditure; an encumbrance reserves funds to be expended in a future period.

**Fiscal Year:** Twelve-month term designating the beginning and ending period for recording financial transactions. The District has specified July 1 to June 30 as its fiscal year.

**Fixed Asset:** Items with an original cost greater than \$1,000, and less than or equal to \$5,000. Typically, a fixed asset has an economic useful life longer than three years; maintains its identity, either as a separate item or as identifiable component; is not a repair part or supply item; and is used to conduct District activities.

**Fund Balances:** The current funds on hand resulting from the historical collection and use of monies. The difference between assets and liabilities reported in the District's Operating Fund plus residual equities or balances and changes therein.

**Interest Income:** Earning from the investment portfolio.

**Late Charges/Penalties:** Charges and penalties are imposed on customer accounts for late payments, returned payments, and other infringement of the District's Rules and Regulations.

**Meter Service Charge:** Each water service customer pays a monthly meter service charge for water system replacement, maintenance and operation expenses. The charge is based on the size of the meter and class of service.

**Metropolitan Water District:** MWD is one of 30 agencies that have contracted for imported water service from the State Water Project, owned by the State and operated by the California Department of Water Resources.

**Set-up Fees for Accounts:** A charge is added for each new account, and whenever an existing account is transferred to another customer. This fee contributes to the administrative costs associated with establishing new accounts.

**State Water Project:** The State Water Project (SWP) transports water from the Sacramento-San Joaquin Delta via the California Aqueduct to four delivery points near the northern and eastern boundaries of the MWD service area. The SWP is owned by the State and operated by the California Department of Water Resources.

**Unit:** 748 gallons of water equals a single Hundred Cubic Feet (HCF) Unit. The District bills its customers in HCF Units.

**Water Connection Fees:** Charges paid by customers to connect to a District water system for water service. Connection fees are the cost of buying into the existing distribution system, and are determined by the meter size, the District capacity fee, and zone charge.

**Water Rates:** Rates vary among classes of service and are measured in HCF Units. Most rates in the District are based on a two-tier accelerated block structure. Tier 1 is the first 12 HCF Units and Tier 2 is water use above 12 HCF Units.

## Budget Message

Camrosa Water District (District) is pleased to present its Fiscal Year (FY) 2022-23 Operating and Capital Budget. The purpose of this document is to identify and allocate the resources necessary to accomplish the District's mission: to deliver reliable, safe, and cost-effective water and wastewater service to its varied customer base. It is also intended to present the financial health of the District in a clear and concise manner for the Board of Directors, our customers, and other interested parties.

### The California Water Crisis

Just two years after one of the wettest winters on record, the California Department of Water Resources (DWR) and Metropolitan Water District (MWD) do not have sufficient supply to meet normal demands.

This crisis is the culmination of decades of failed State water policy and has its roots in California's turn away from supporting major water infrastructure projects and towards perpetual demand management. DWR has stood by while litigants and legislators whittled away at its ability to fulfill its contractual obligations on the State Water Project. MWD has applied a portion of every dollar it has ever collected from its ratepayers to build out and maintain its Colorado River Aqueduct system and yet its conveyance is so constrained that it is unable to move significant quantities of that water to certain parts of its service area. On April 26, 2022, MWD created separate rules for these so-called "State Water Project Dependent Areas" (SWPDA), requiring draconian conservation measures of agencies in these areas to which MWD's other customers are not subject. The next day, Calleguas followed suit.

Being within this area and continuing to be dependent on the imported water that MWD and Calleguas provide, Camrosa was compelled to choose between one-day-a-week watering of what is deemed "non-functional" turf and an allocation system that would leave the District with even less supply. On May 26, 2022, the District declared a Stage Two Water Supply Shortage, moving to one-day-a-week watering for residential and ornamental turf, requesting a 30% reduction from customers with parks, ballfields, and other community turf uses and a 20% reduction from potable agricultural users. We anticipate that this is the first of increasingly stringent conservation mandates, ratcheting down to no outdoor watering by summer's end. Should we face another dry winter, statewide mandates capping water consumption at health and safety levels will be a reality. For a state with the fifth largest economy in the world, this is an unmitigated disaster.

Providing a reliable source of water for our ratepayers is Camrosa's core mission, and we have long been focused on building the District's self-reliance to buffer against this cycle of planning failures and reactive edicts. **The Board of Directors does not believe that conservation should become "a way of life," as recent state legislation would have it, or that "brown is the new green."** Efficiency is important—in water as in the other resources of which we are stewards, including energy and public funds—but the District's purpose is to provide the water our customers need. We have slashed our dependence on imported water over the last twenty years, developing local projects like a brackish groundwater desalter and non-potable distribution systems to achieve greater control over our supply portfolio.

What this winter has demonstrated is that we need to accelerate the timeline for self-reliance.

Doubling down on self-reliance will form the backbone of Camrosa's planning efforts for years to come. We're starting this fiscal year, with feasibility studies and design for additional wells, backup wells, and treatment plants to increase our local production. In the spring of 2022, we overhauled the District's Strategic Plan, and in June approved the start of a multiphase Master Plan to chart the District's course to true independence.

### Externalities

COVID-19 did not dominate operational concerns to the same extent it did in FY2020-21. The District made it through FY2021-22 with no impact on our ability to deliver water or provide wastewater services and does not anticipate any significant impacts in FY2022-23. Productivity appears to remain undiminished by hybrid work

arrangements, no employees have been furloughed, and the District does not expect that there will be an impact to personnel expenses from the response to COVID-19 in FY2022-23.

Equipment and materials delays continued, translating to longer lead times on orders and longer timelines on projects. This scarcity, as well as shipping constraints and general materials market volatility, has led to significant escalations in project costs. Fuel cost increases impacted the availability and cost of materials, equipment, and shipping, as well. The general construction and materials industries continue to see rising prices across the globe.

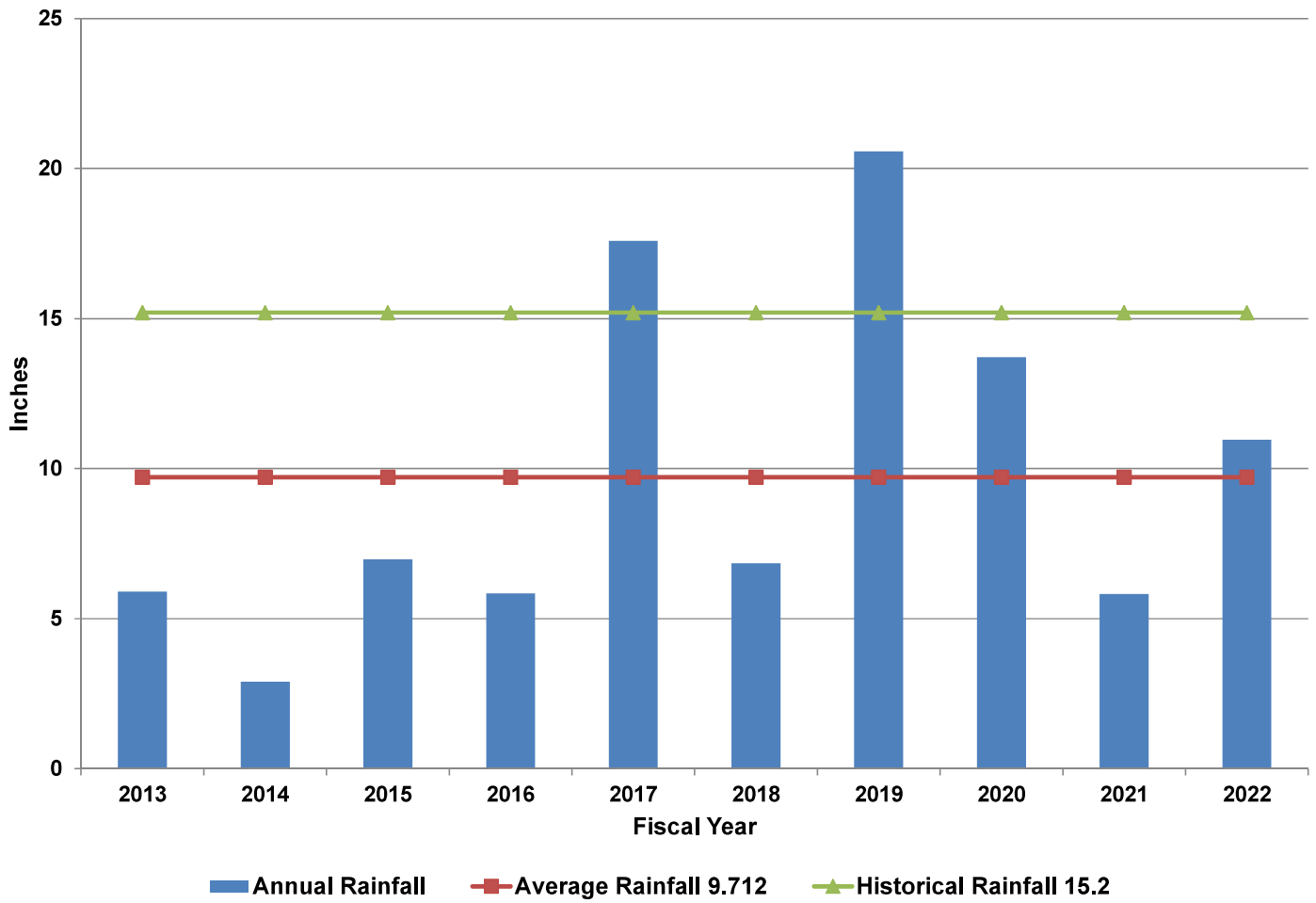
### The Impact of Weather

In the last ten years, Southern California has seen the wettest and driest months on record. The state saw both during just the 2021-22 rain season. These dramatic weather swings, depicted in Figure 1 below, exemplify the difficulty of forecasting water sales and highlight the necessity of maintaining a conservative financial outlook.

After the highest precipitation totals for the month in state history in December 2021, California experienced the driest January, February, and March in more than 100 years at the start of 2022. DWR's Final Snow Survey of April 1, 2022 reported the water content of California snowpack was 38% of normal. DWR initially set the SWP allocation at 15% of contracted amounts and but eventually lowered it to five—for the second year in a row. Not only was a second consecutive 5% allocation unprecedented in the project's 70-plus-year history, it was not even considered in the range of possibilities at the planning level at DWR or MWD. As recently as the spring of 2021, during the compilation of Urban Water Management Plans, MWD reassured its customers that it had adequate storage to carry its service area through five dry years.

Locally, rainfall through April 30 was 10.96 inches, recorded from the Leisure Village CIMIS station, which is slightly more than the ten-year average rainfall for the District of 9.712 inches a year and below the historical average of 15.2 inches a year. Local precipitation can impact demand, especially among agricultural customers and those with large landscapes, and it is important for recharging groundwater basins, which we produce from now for local supplies and plan to increasingly rely on in the near future. Whether or not the trend towards lower precipitation we've seen over the last couple decades continues, Camrosa plans to adaptively manage its groundwater basins to maximize aquifer storage and recharge water—whether its rainwater or another source.

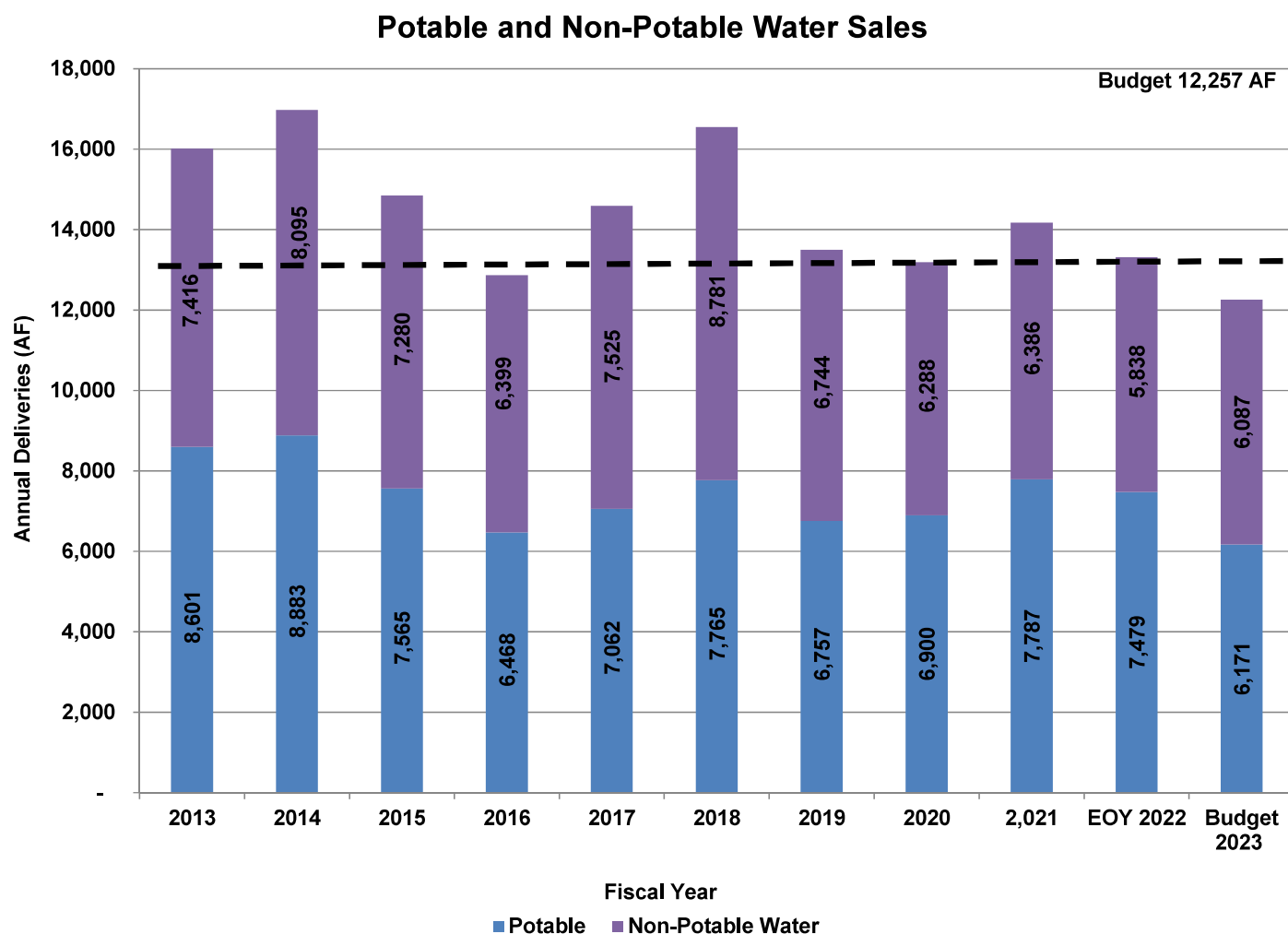
## Average Rainfall Fiscal Years 2013-2022



*Figure 1 – Average Rainfall*



In general terms, the District went from delivering approximately 17,000 AFY before the FY2014-15 drought to slightly less than 12,860 AFY in FY2015-16. Variable weather in the years since make it difficult to determine the cause for water-use patterns in the District service area, but generally speaking the trend is towards less per capita water use than in previous decades. The FY2022-23 budget was developed using a three-year average of water sales, less 20% reduction of residential usage, to arrive at a projection of 12,257 AF. This is a modest reduction from the FY 2021-22 budget of 13,217 AF and projected end of year sales of 13,318 AF.



**Figure 2 – Potable and Non-Potable Water Sales**

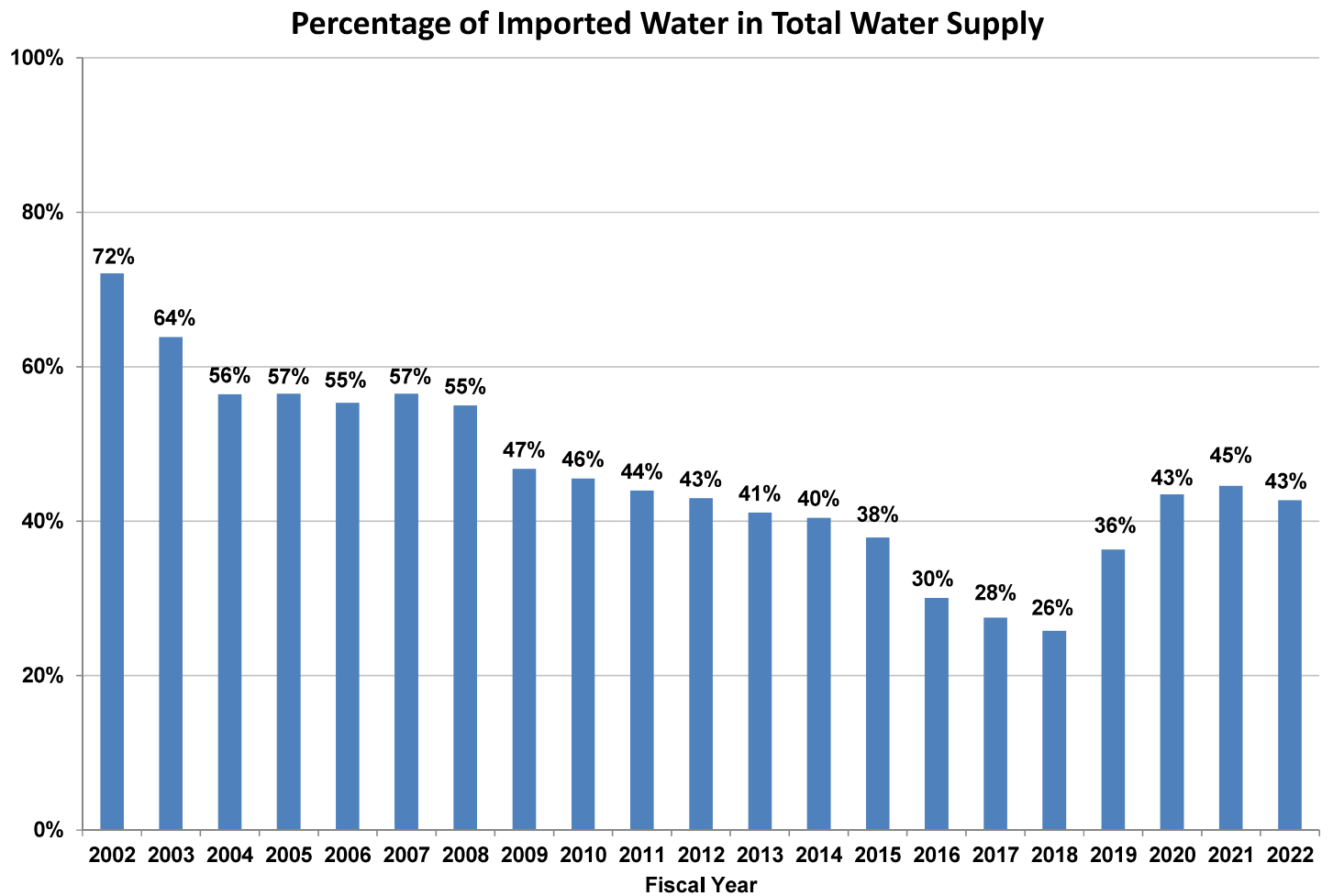
### Increase of Imported Water Costs

Where Camrosa lies in the Metropolitan Water District service area, the “imported water” we purchase from them, via Callegaus, is primarily State Water Project (SWP) water from the Sacramento-San Joaquin Delta. It is the most expensive water in Camrosa’s supply portfolio. The District’s primary strategy for decades has been to reduce dependence on imported water by developing local resources. Reducing the proportion of Camrosa’s water supply that we have to import helps mitigate the effects of reduced water sales; less of that total goes to cover the cost of imported water and can be redirected instead into additional local-resource projects. Figure 3 reflects the District’s efforts to develop self-reliance over the last 20 years.

The trend was reversed in 2019, when the District’s largest local resource, the Conejo Wellfield, was taken offline ahead of building a treatment plant to treat for the newly-regulated contaminant, 1,2,3–Trichloropropane (TCP), a synthetic organic compound that was an impurity in certain soil fumigants used in agriculture. The Camrosa Board of Directors insisted that Camrosa ratepayers should not bear the costs of treatment for the contamination and successfully persuaded the manufacturers of the offending pesticides to pay for the construction of the treatment plant.

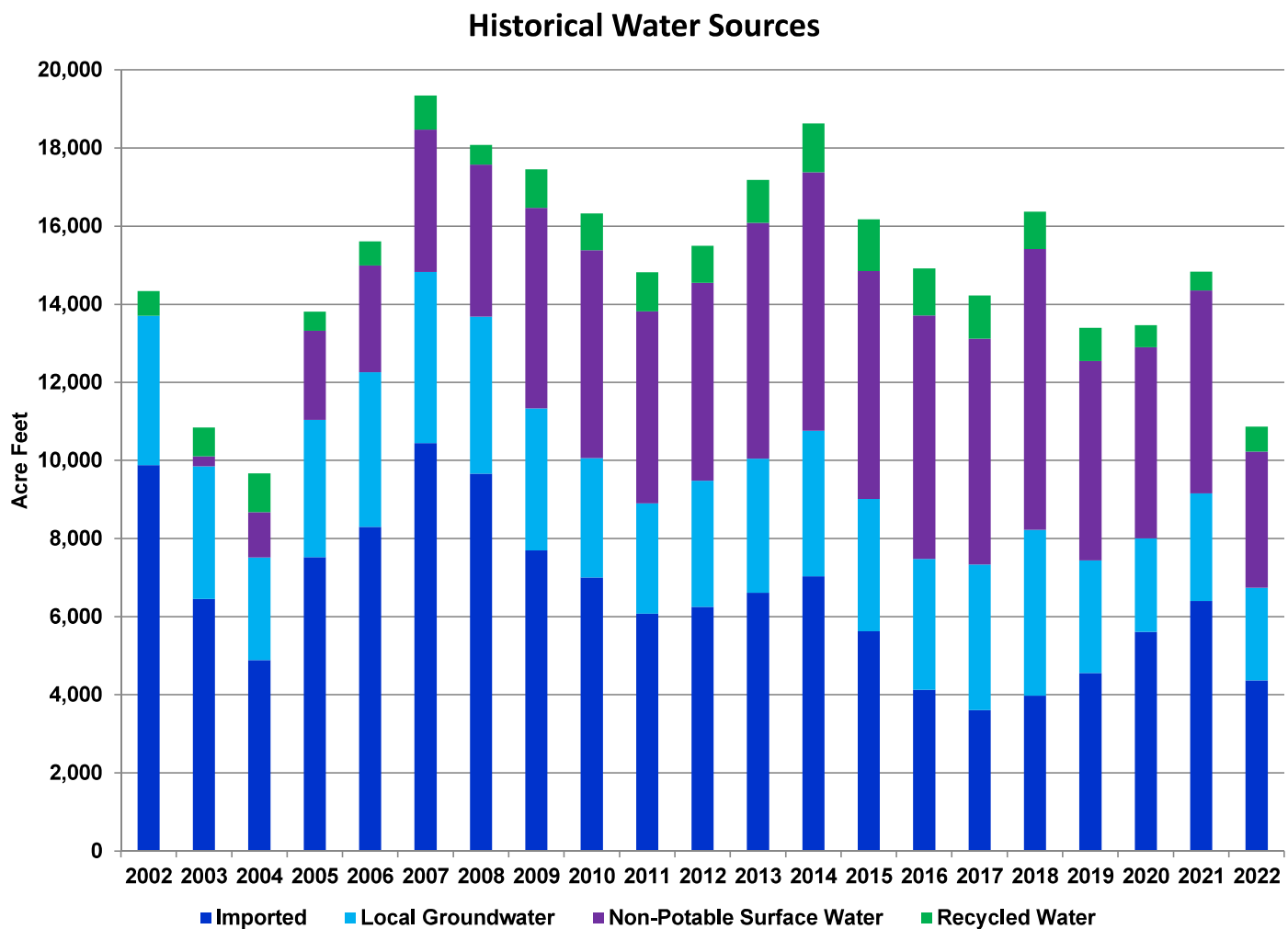
In the meantime, we have worked hard to bring other new sources online (PV Well #2) and increase production at existing wells. The FY2022-23 budget assumes that IMPORTED water will constitute 47% of Camrosa’s potable water supply, with 53% coming from local groundwater. In FY2021-22, the budget assumed 64% imported water and 36% groundwater. The change in FY2022-23 is related to lower water demand due to mandated conservation and the Conejo Wellfield coming into production in December 2022.

In FY2021-22, imported water comprised 43% of total water supply. The new PV Well #2 came online in September 2020, providing a much-needed boost to local production. Adjustments to the well in the fall of 2021 doubled production. Other local water sources performed within range of budgeted amounts. Work to increase production from the Tierra Rejada and Penny wells is expected to be complete in the first half of FY2022-23. The fiscal year will also see investigations into the redundancy of the University Well and a third Pleasant Valley Basin well.



**Figure 3 – Percentage of Import Water in Total Water Supply**

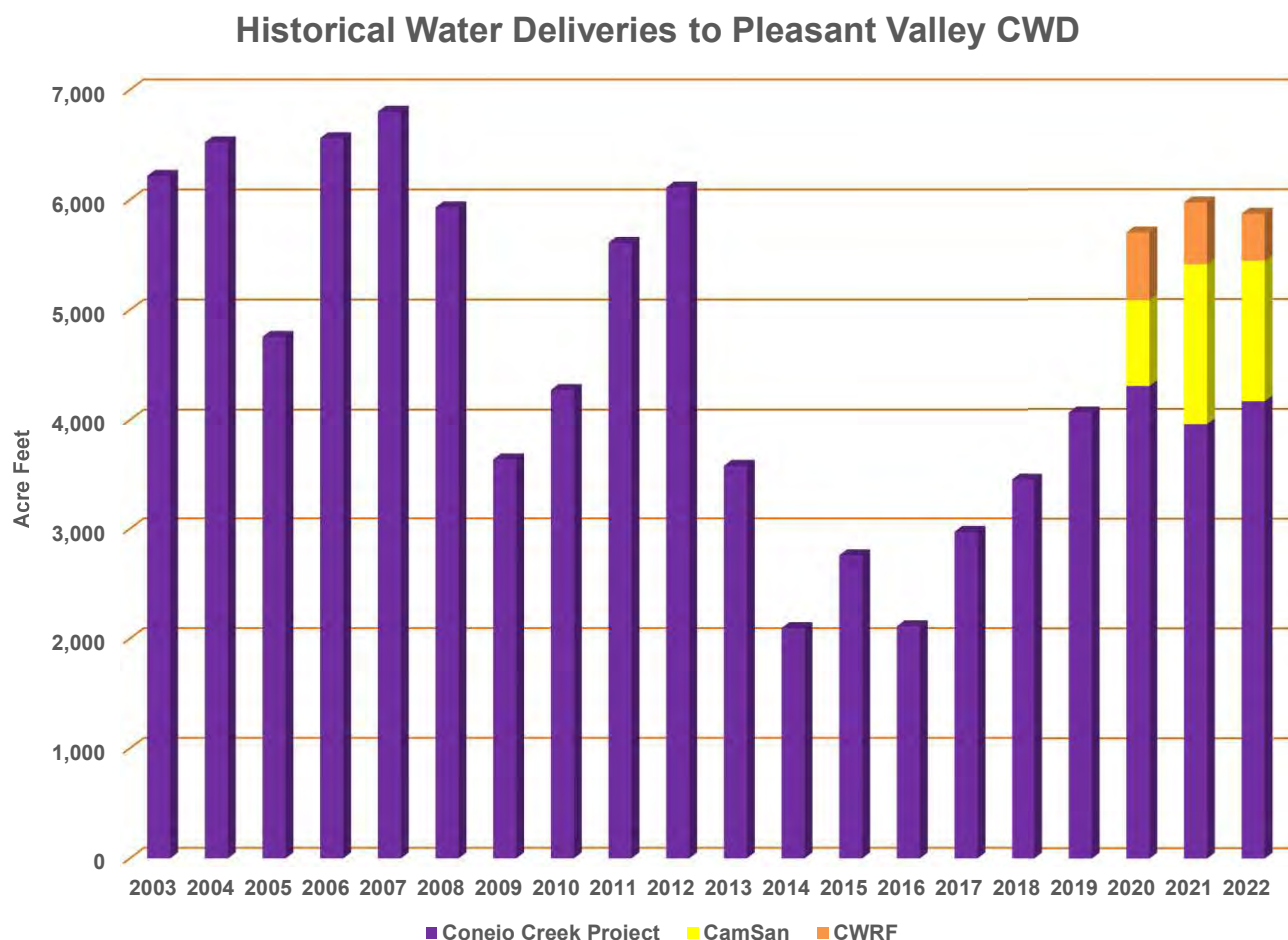
The following graph demonstrates the effects of Camrosa’s commitment to building self-reliance over the last 20 years. As the diversity of supply sources increases, the percentage of the portfolio filled by imports has decreased. Since the Conejo Creek Project came online in 2003, Camrosa’s demand on imported water has fallen off dramatically. Optimizing operations—filling reservoirs, moving water, blending water—has also allowed us to further reduce imports. Reductions in total water use since 2014 reflect emergency conservation regulations mandated during the drought through 2016.



**Figure 4 – Historical Water Sources**

Camrosa also sells Conejo Creek water to Pleasant Valley County Water District (PVCWD), an agricultural district adjacent to Camrosa on the Oxnard Plain. Under Fox Canyon Groundwater Manager Agency (FCGMA) Resolution 2014-01, PVCWD transfers to Camrosa one pumping credit in the Pleasant Valley Basin for each acre foot of creek water the District delivers. Camrosa pumps these credits from the Woodcreek Well and PV Well #2 in the northeastern Pleasant Valley Basin, where groundwater levels are higher and the basin is less stressed than in the areas where PVCWD has its wells.

With the completion of the CamSan Recycled Water Interconnection project in November 2019, Camrosa began receipt of recycled water from the Camarillo Sanitary District (CamSan). The City of Camarillo has a limited recycled water distribution system but does not have any storage; selling water to Camrosa helps the City avoid discharging to the creek and violating their NPDES permit and the cost of discharging to the Salinity Management Pipeline. Camrosa can store CamSan's water in the District's Storage Ponds and sell it to PVCWD, a practice codified in Camrosa's latest Waste Discharge Requirement permit authorized by the Los Angeles Regional Water Quality Control Board on October 10, 2019. Recycled water does not accrue pumping credits as creek water does. This interconnection also increases Camrosa revenue (see page 35 of the main budget document), improves Camrosa operations, and contributes to regional water supply resilience. It is unknown how long CamSan will continue to have excess recycled water as the City of Camarillo expands its recycled water distribution system, but in the meantime, it is clearly a beneficial project for both agencies.



**Figure 5 – Historical Water Deliveries to Pleasant Valley CWD**

The expectation that wholesale rates will continue to escalate provides another incentive to increase self-reliance. In 2022, the MWD Tier 1 wholesale rates increased by 3.5% and in 2023 the Tier 1 wholesale rates will increase by an additional 5.8%. In addition to MWD's rate increases, Calleguas increased its Capital Construction Surcharge, Readiness-to-Serve Charge, and Capacity Reservation Charge, for a combined wholesale rate increase to the District of approximately 3.6% in 2022 and 4.5% in 2023.

The following graph illustrates the projected cost of imported water.

### Projected Cost of Imported Water

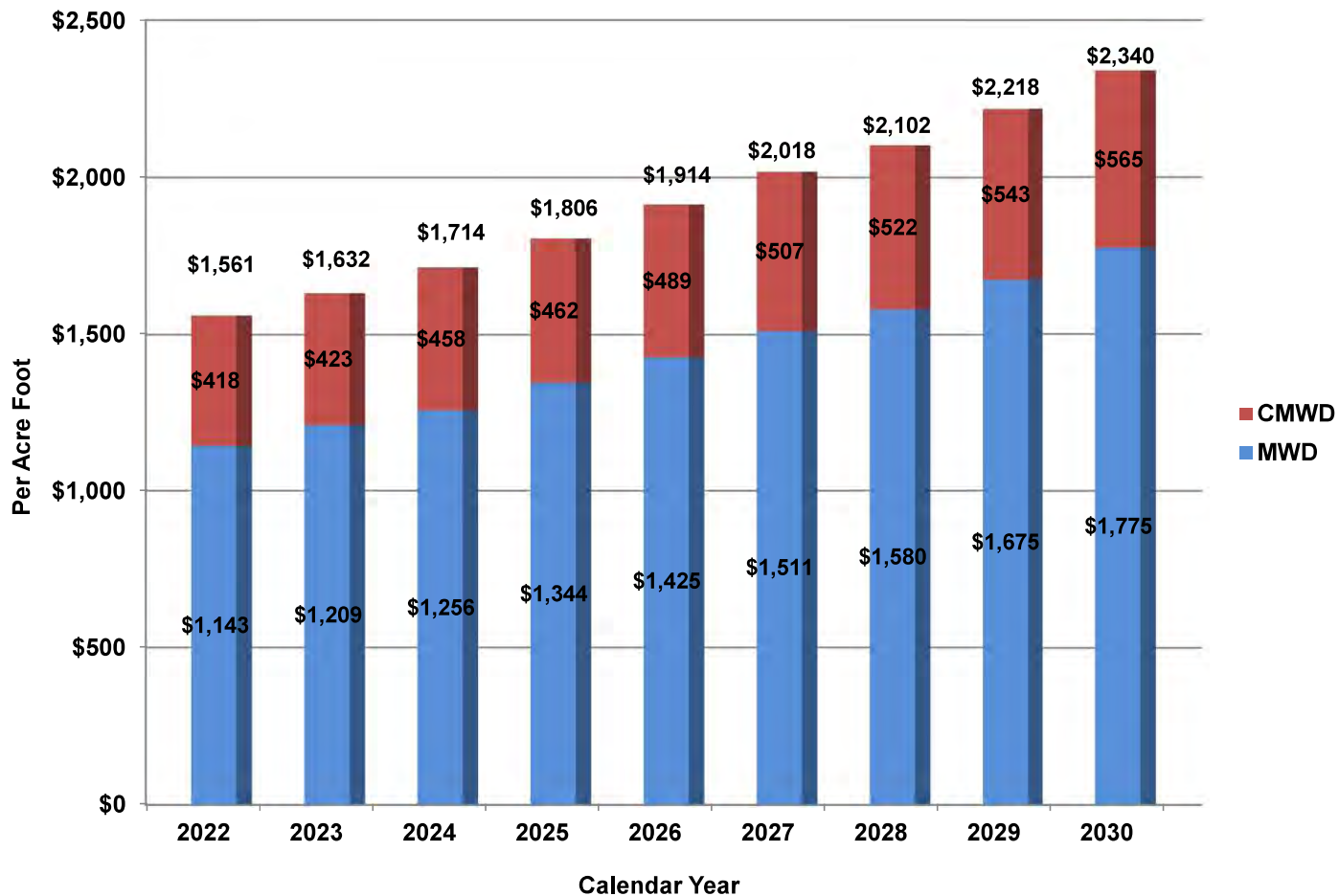
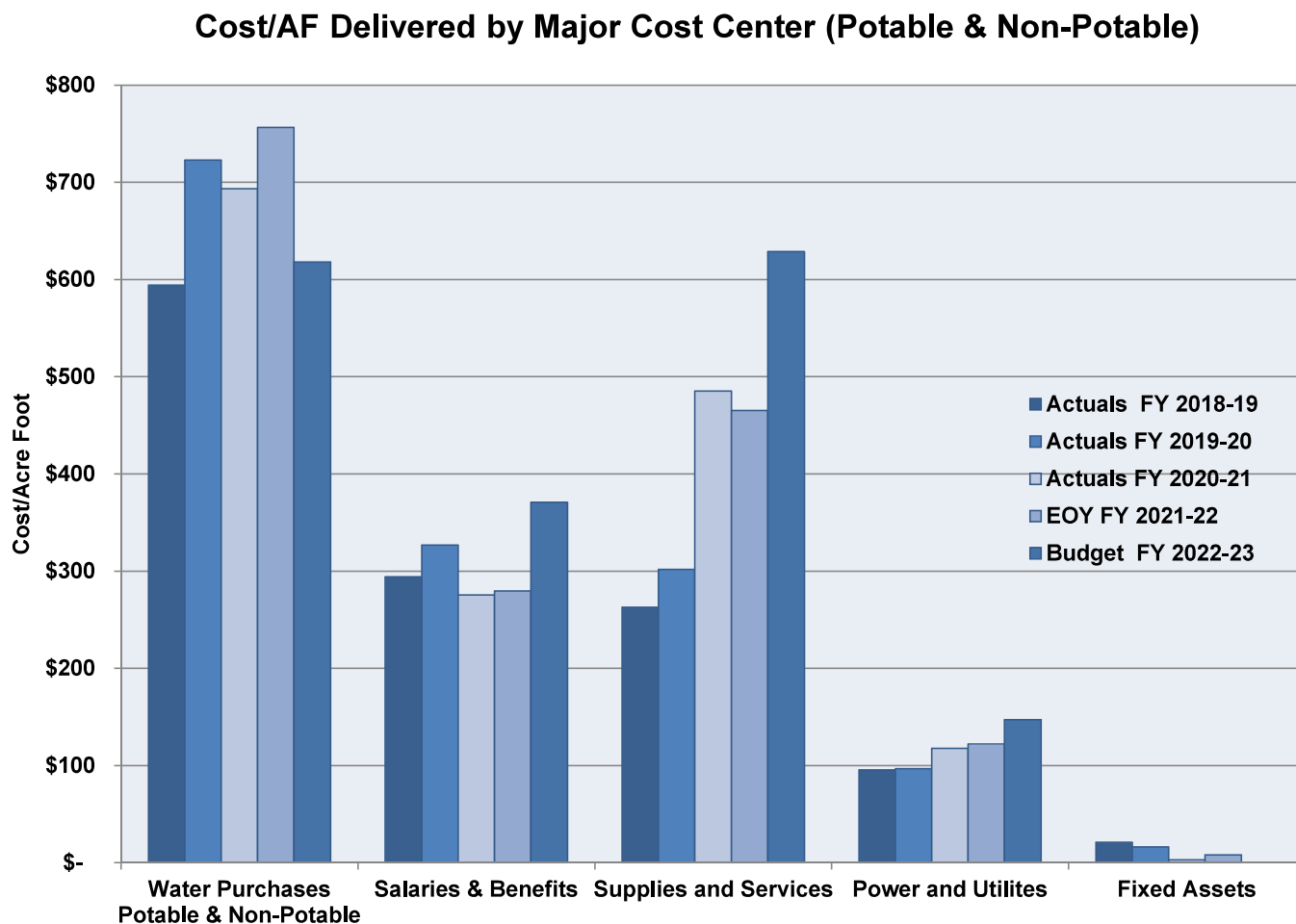


Figure 6 – Projected Cost of Import Water



Water purchases constitute the largest expense in the District's operating costs, as depicted in the graph below.



**Figure 7 – Cost per Acre-Foot Delivered by Major Cost Center (Potable & Non-Potable)**

The District adopted a five-year rate schedule for water and wastewater on June 13, 2019. Included in the rate study was a review of commodity component of rates, fixed meter service fees, and the District's aging infrastructure and preventative maintenance requirements. Even with the rate increases, the District's rates continue to be among the lowest in Ventura County. The District strives to remain cost-effective in its rate setting by controlling operating costs. The following graph is a comparison of local water utilities' monthly water bills for a single-family usage of 12 hundred cubic feet (HCF) and a ¾-inch meter service charge.

The District strives to remain cost-effective in its rate setting by controlling operating costs. The following graph is a comparison of local water utilities' monthly water bills for a single-family usage of 12 hundred cubic feet (HCF) and a 3/4-inch meter service charge.

### Utility Comparison 12 HCF - 3/4 Inch Meter

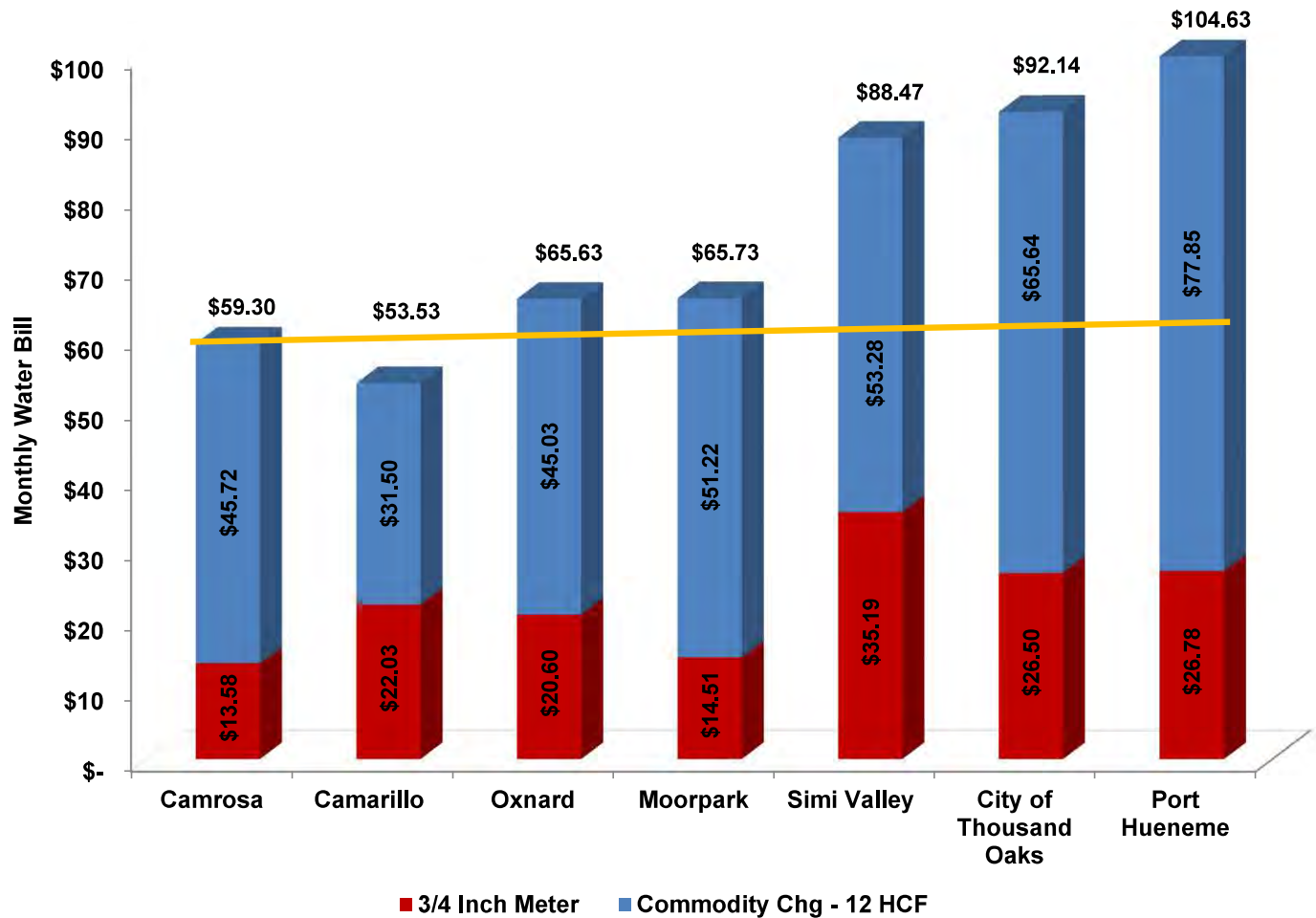


Figure 8 – Water Rate Comparison

The following graph is a comparison of local sanitation utilities' monthly wastewater bills.

### Sewer Rate Comparison

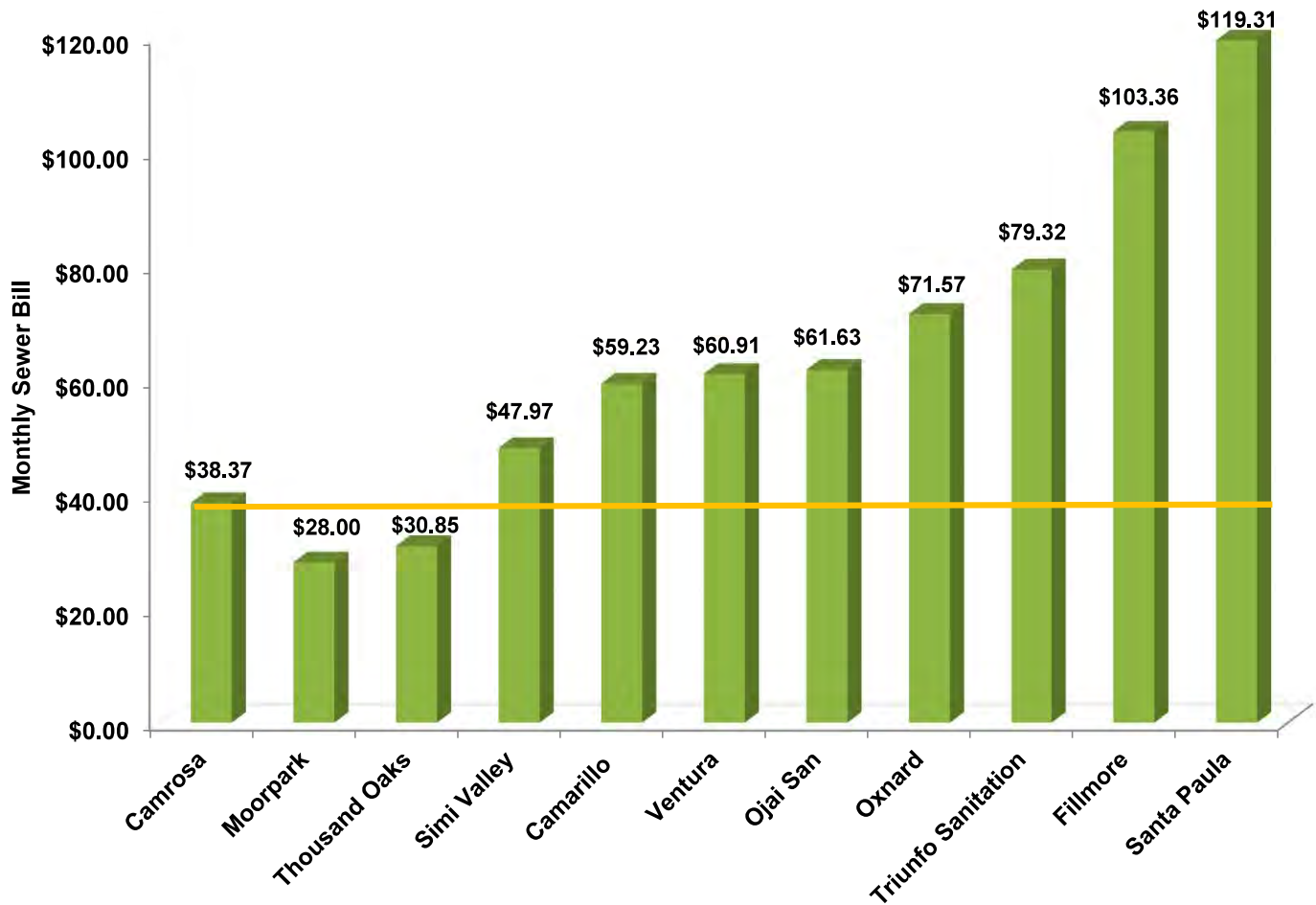


Figure 9 – Sewer Rate Comparison

### Effective Asset Management

Camrosa Water District was established in 1962; some of what became the District's infrastructure predates even that. As the system ages, the value of the system decreases through depreciation while the costs of keeping the system functioning increase. An asset management plan that supports the development, security, preservation, renewal, and replacement of the District's assets is included in the comprehensive rate study, to ensure adequate reserves are set aside to invest in aging infrastructure. Such projects include replacing pipeline segments, maintaining and upgrading treatment facilities, and rehabilitating reservoirs, pump stations, and the wastewater collection system. Setting aside reserves today for these repairs will prevent the District from being susceptible to untimely financial burdens and ultimately having to excessively raise rates.

### Cybersecurity

Over the past several years, the threat of cybersecurity attacks to businesses and municipalities has steadily increased. Malware has been spreading exponentially since at least 2013. The convergence of the internet and business technologies, including the proliferation of IoT devices ("the Internet of Things," such as smart refrigerators and cloud-connected home alarms); the use of personal devices on corporate networks; state-sponsored and organized-crime entities that specialize in cyberterrorism; the COVID-19 pandemic, which required expansion of the network perimeter to allow employees to work from home: all of this and more has contributed to the increase in malware attacks.

In order to meet these challenges, the District has multiplied its efforts to ensure the security of its Information Technology systems. District staff recognize the foundation of good cybersecurity is built on a comprehensive IT plan that incorporates policies and procedures aimed at assessing and mitigating risks, protecting the District's network assets, and safeguarding customers' personal identifiable information. From these plans, Camrosa has adopted a layered approach to cybersecurity that focuses on network resiliency; more stringent controls to access the network such as multi-factor authentication, network segmentation, and access-control policies; and cloud-based endpoint monitoring. Additionally, staff has organized an IT Steering Committee to develop short- and long-range technological road maps and to propose IT strategic plans that align with the District's mission statement.

Lastly, staff understands one of the most vulnerable areas for any organization is not technical: it's the employees. Many cybercriminals focus on attacking individuals through malware, phishing, and other scams. The District has renewed its commitment to fostering a culture of good cybersecurity through training and practice that will present a stronger front against cyber threats.

### State Mandates

The state of California has, for at least the last two administrations, been making significant strides towards centralizing control over the state's water resources through consolidating various functions under and expanding the reach of the State Water Resources Control Board. Attempts to standardize the process and reporting of water planning under a specific set of assumptions about the future climate have led to landmark groundwater and water-use legislation, as well as expanded rulemaking that, in the view of many water suppliers, fails to take into consideration local conditions.

Continued advancements in technology have allowed for the detection of contaminants in drinking water at lower and lower concentrations. The state has responded to this new detection capability with an attitude that if it can be detected, it should be treated. Such an approach drives the cost of water resources up, further complicating the water supply landscape.

The State Water Resources Control Board continues to extend administrative control over water suppliers through other means, as well, from developing economic models for water loss control and drinking water contaminants to proposing "safe and affordable drinking water" and low-income rate assistance programs that seem designed to test the limits of Proposition 218.

### Water Conservation and Drought Planning Act of 2018

In May 2018, Governor Brown signed SB 606 and AB 1668, collectively known as the Water Conservation and Drought Planning Act. The act built upon Governor Brown's 2016 Executive Order B-37-16, "Making Conservation a Way of Life," and represents a new paradigm in urban retail water management in the state. The permanent regulations being developed by the SWRCB effectively impose allocation-based water management on urban water agencies. The state plans to provide each urban water agency with guidelines and datasets for how to determine their "water use objective," an agency-wide water budget comprising residential indoor water use, outdoor irrigation, and a water loss component. (Commercial, industrial, and institutional water use will be dealt with separately.) As of this writing, the water use objectives have not been developed. It is anticipated that they will constitute moderate to significant reductions from historical averages, requiring financial projections to be adjusted and rates to be revisited.

Water loss is a key component of the state's approach to demand management. Legislation required that the SWRCB develop water loss performance standards by July 2020, but to date has yet to do so. The legislation recognizes that mitigating and preventing water loss should be done on a cost-effective basis, but it is unclear how the current draft proposals square with that.

## Water Quality Regulations

In addition to TCP, the MCL for which, at 5 ppt, is the same as the detection limit for purposes of reporting. Other contaminants of emerging concern are expected to be addressed and regulated by the SWRCB at a level that will require widespread expensive treatment.

Per- and polyfluoroalkyl substances (a huge family of synthetic chemicals referred to collectively as “PFAS”) were present in the Santa Rosa Basin water in 2020; PFAS are not currently regulated by the SWRCB but most estimates assume an MCL is imminent.

The SWRCB is also expected to readopt a chromium-six MCL in summer of 2022, after delisting it in 2017 in response to a Superior Court judgment. Camrosa staff advocated with a statewide coalition for a reasonable economic framework to assess treatment costs, levels, and benefits; to what extent that effort will be folded into the new regulatory process remains to be seen.

Senate Bill 1124 (Archuleta) aims to require the Department of Drinking Water within the SWRCB to develop an MCL for manganese by January 31, 2024. Manganese is currently a “secondary” contaminant regulated for aesthetic purposes and is widespread in California’s groundwater basins, including those from which Camrosa produces. The driver for Senator Archuleta to make manganese an MCL is unclear. Should the bill pass and should the Office of Environmental Health Hazard Assessment recommend an MCL be developed, there could be impacts to the cost of local water should Camrosa need to build manganese treatment for any affected wells. Such costs are unknown, but this process, in which a chemical is legislated into regulation, appears to be part of the future of California water management.

Other contaminants of emerging concern, including microplastics, may affect treatment processes on both the potable and wastewater systems. As regulations increase, so too will the cost to produce water that meets and exceeds all regulatory standards, affecting the delta between local and imported sources and changing the cost equation of redundancy and self-reliance.

## Groundwater Management

Another landmark change in water management that will affect the cost of water is the Sustainable Groundwater Management Act (SGMA) of 2014. SGMA requires the formation of local groundwater sustainability agencies (GSAs) for what the state determined were high- or medium-priority basins to assess conditions and develop groundwater sustainability plans (GSPs). These GSPs are intended to define sustainability and chart a path to achieving that over the next twenty years.

The Fox Canyon Groundwater Management Agency (FCGMA) is the GSA for the Pleasant Valley Basin (among other areas), from which the Woodcreek Well and PV Well #2 produce. A new allocation plan has been established and projects to increase the sustainable yield are being investigated. Adjudication papers were filed by a group of landowners/pumpers in the basin, as was a lawsuit contesting the CEQA process for the GSP. SGMA provides that the GSP proceed as written during the adjudication process, which can take 10-20 years, but such a litigious environment does not provide an environment for the amicable resolution of conflict or for the kind of collaboration that innovation and regional project development require.

The Arroyo Santa Rosa Groundwater Basin, which lies wholly within the Camrosa service area and from which the majority of Camrosa’s local groundwater is produced (when the Conejo Wellfield is online), was originally designated as a medium-priority basin due to high nitrate concentrations. In 2016, the County of Ventura and Camrosa formed a GSA to write the GSP for the whole basin and manage that portion of it east of the Bailey Fault (outside the FCGMA). Administrative costs to support the operation of the Arroyo Santa Rosa GSA (ASRGSA), including the writing of the GSP, will be supported by Camrosa and the County of Ventura. The GSP, currently underway and expected to be filed with DWR in spring of 2023, constitutes the bulk of the GSA budget; expenditures are anticipated to be approximately \$500,000 in FY2022-23 but will decrease significantly once the plan is written. In April 2018, DWR awarded the Arroyo Santa Rosa GSA a Sustainable Groundwater Planning Grant to support the development of the Santa Rosa GSP, up to \$177,081.



Projects to reach sustainability and/or increase basin yield will be explored in the GSP process. Because Camrosa is the primary groundwater producer in the Santa Rosa Basin, pumping by initial estimates over 50% of the basin's annual yield, the District has a vested interest in developing projects that ensure sustainability. Once the GSP has been developed, estimated costs of sustainability projects will be included in the District's budgeting process.

### Ongoing Capital Projects

Ongoing maintenance and replacement projects will continue.

On the water side, the following improvements for this fiscal year include: AMR AclaraOne + MTU Upgrade Zone 2, and engineering design of PV Well #3, and AG 3 Tank replacement.

On the wastewater side, ongoing infrastructure improvements for this fiscal year include: engineering of collection system hot spots and bar screen replacement.

### CSMFO Mission to Promote Excellence

As part the California Society of Municipal Finance Officers (CSMFO) mission to promote excellence in financial management, the CSMFO has established a program that evaluates the budgets of municipal entities from across the state. This program is intended to "encourage and assist local governments to prepare budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting." The FY2021-22 budget was submitted to the CSMFO and the District received an Operating Budget Excellence Award for a eighth consecutive year, an upgrade from the District's first submission of the FY2013-14 budget, Meritorious Award. This award is valid for a period of one year only. The budget document does not include any structural changes from the prior fiscal year; we believe our current budget continues to conform to program requirements and are submitting it to CSMFO for their evaluation.

The challenges to water reliability are greater than ever before—as is the District's resolve and ability to meet them. Our customers give us their trust every day to fulfill their basic needs, for their families, their farms, and their businesses. It is vital that we honor that trust in everything we do, moving towards self-reliance, investing in preventive maintenance and timely infrastructure replacement, and continuing to improve the organization's capacity and effectiveness. A well-structured budget is critical to this effort, and I am confident that the District's FY2022-23 budget document provides a detailed and comprehensive overview of our ability to transform the challenges we face into new opportunities.

Respectfully submitted,



Tony L. Stafford  
General Manager

## Mission Statement & Vision Statement

In establishing a long-range Strategic Plan in 2008, the Board evaluated the core business services the District provides to its customers and established the following objectives as the primary strategy to fulfill the District's mission:

- Develop independence from imported water deliveries
- Strengthen the District's financial position
- Fully develop staff potential
- Improve systems operations and maintenance
- Educate customers
- Protect water supplies
- Exceed all regulatory standards

The 2008 Strategic Plan became the foundation for strategies to increase self-reliance through the use of local water resources to offset SWP water imports. Constructing desalination facilities and increasing groundwater production for potable use are two such strategies.

The Strategic Plan also focuses on strengthening the District's financial position through the development of a rate structure that provides for the capital replacement of aging infrastructure. Capital replacement is necessary to maintain the long-term integrity of the various water treatment and distribution systems, the wastewater collection system, and the Camrosa Water Reclamation Facility

A revised Mission Statement was also established as part of the 2008 Strategic Plan. The Mission Statement reflects the District's responsibility to meet current and future needs of the community, describes the primary attributes of products and services it will deliver, and provides an awareness of the trust that exists between the District as a public entity and the public at large. It has become the foundation of the District's practice:

### **Our Mission**

*"The Mission of Camrosa Water District is to meet the current and future needs of the community for water and sanitary services. Our products and services will be reliable, affordable, responsive and of high quality. At the same time, the District will prudently manage and maintain the District's assets, honor the public's trust, and maintain public awareness and confidence in the District's activities."*

### **Our Vision**

*"Camrosa is a dynamic, resource-independent public entity that provides highly efficient and responsive service to its water and wastewater customers. The Board is prudent in the management of public resources and innovative in using modern tools to maintain system reliability and financial strength. The District is a lean organization, led by a cohesive Board and staffed by an honest, enthusiastic, highly competent and focused team, who find their work challenging and enjoyable and who have earned the trust of their well-informed customers."*

The District held strategic planning workshops in the spring of 2022 and anticipate adopting a 2022 Strategic Plan in the summer of 2022.

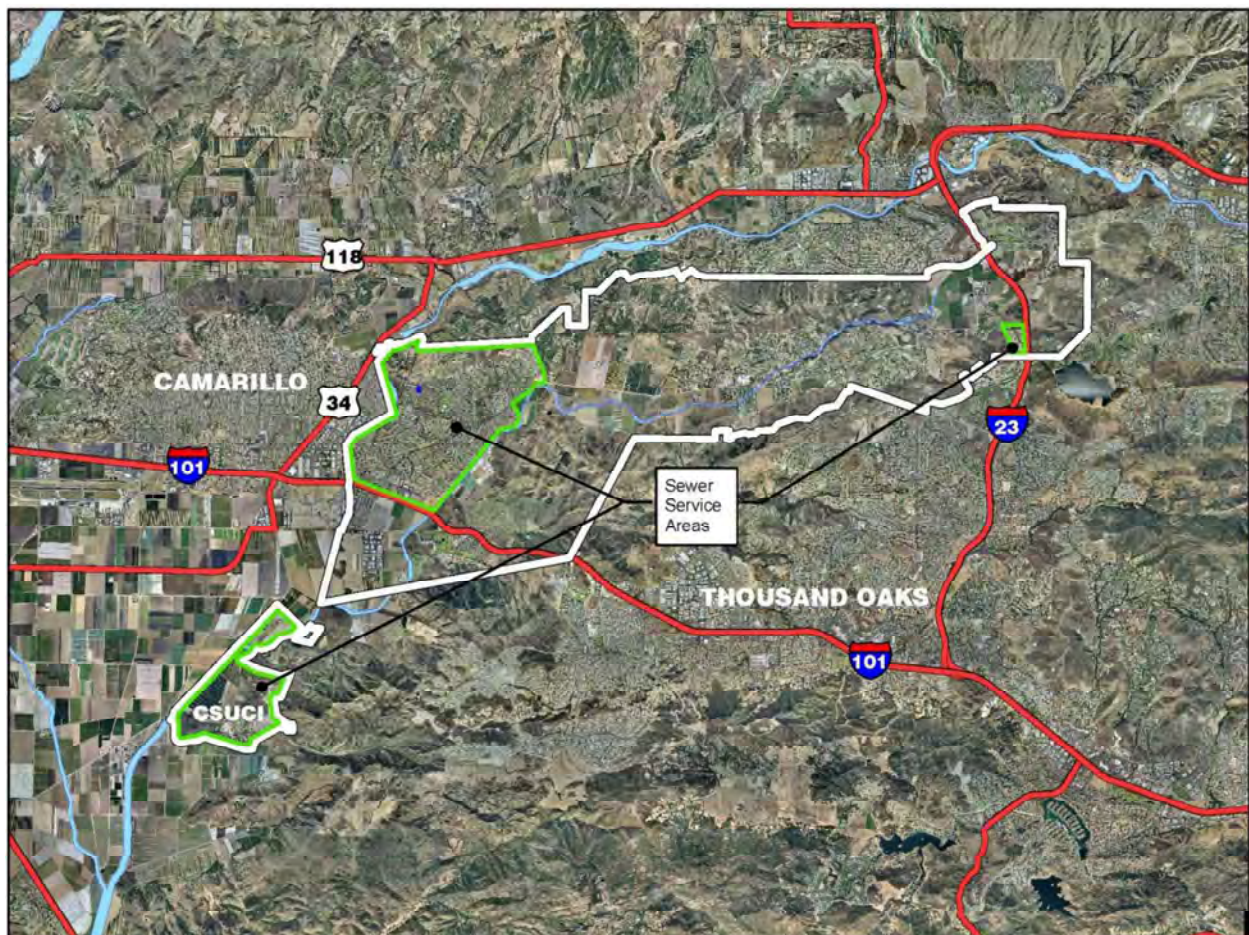
## Profile of the District

### District Services and Management

The Camrosa Water District, located over 31 square miles in the County of Ventura, California, is an independent special district that operates under the authority of Division 12 of the California Water Code. The District was originally formed under the law in 1962 as the Camarillo County Water District for the purpose of supplying potable water. The District has changed its name twice, first to the Camrosa County Water District in 1965, and then to its present name in 1987. Subsequently, the District expanded its operations to include wastewater collection and treatment to a portion of its service area.

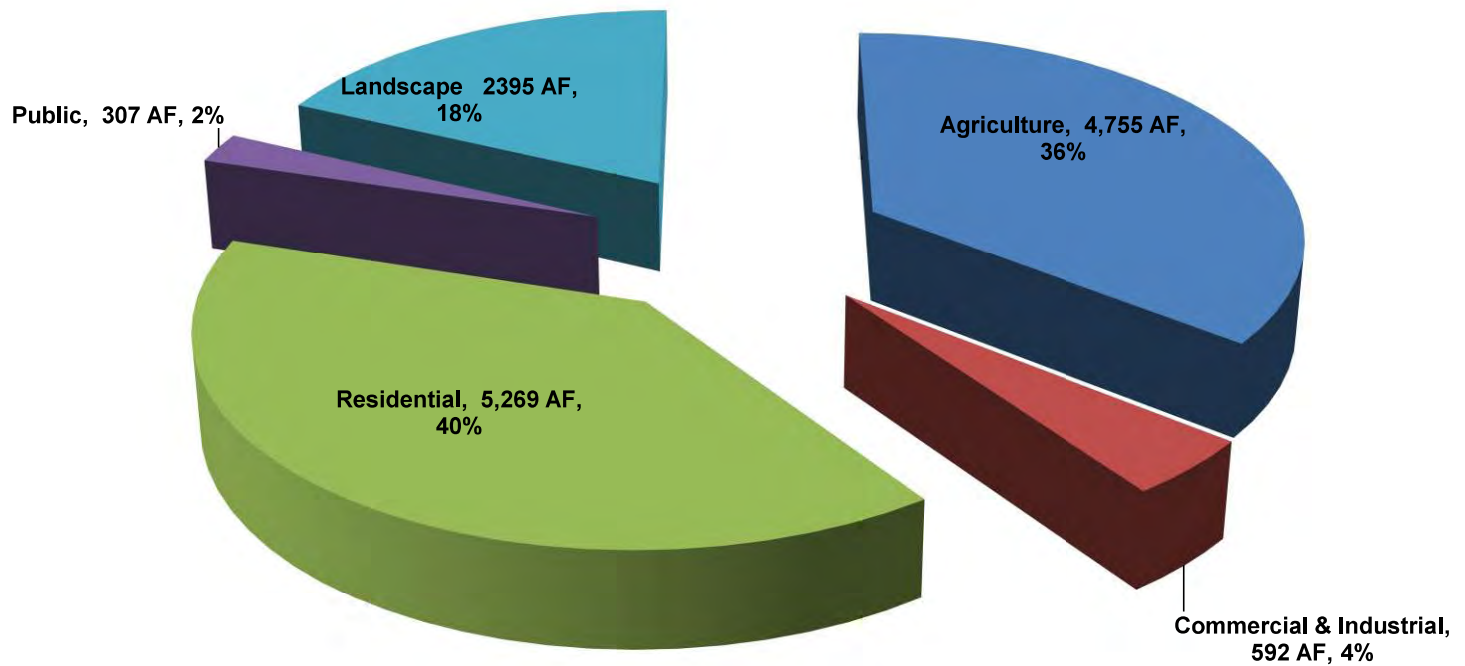
Currently, the District provides three classes of water (potable, non-potable, and recycled) to a population of more than 32,700 people through approximately 11,279 service connections, which includes three master-metered communities. The majority of these connections are municipal and industrial, and the remainder agricultural.

Potable water is a blend of imported State Water Project (SWP) water from the Sacramento-San Joaquin Delta and local groundwater; non-potable surface water is a combination of diverted surface water and local groundwater; and recycled water is tertiary-treated product from the Camrosa Water Reclamation Facility (CWRF). Wastewater service is limited to 8,918 equivalent dwelling units (EDUs) in a portion of the City of Camarillo and a sliver of the City of Thousand Oaks. The remainder of the District is either served by the Camarillo Sanitary District or on septic systems.



**Figure 10 – District Map Boundaries**

The following graph sets forth the District's various water customer classes. Residential and Agricultural customers account for approximately 76% of the District's projected water service revenue for the fiscal year ending June 30, 2022. The residential customer class includes both indoor and outdoor water usage.



**Figure 11 – FY2021-22 Percent of Water Revenues by Customer Class**



## Board of Directors

The District is governed by a five-member Board of Directors, elected at large from five geographical “divisions” within the District’s service area. The District’s Board of Directors meets on the second and fourth Thursday of each month. Meetings are publicly noticed and residents are encouraged to attend.

<b>Director</b>	<b>Title</b>	<b>Division</b>	<b>Expiration of Term</b>	<b>Occupation</b>
Eugene F. West	President	Division 4	November 2024	Attorney
Terry L. Foreman	Vice-President	Division 5	December 2022	Geologist/Hydrogeologist
Al E. Fox	Director	Division 1	December 2022	Realtor
Jeffrey C. Brown	Director	Division 2	December 2022	Investment Consultant
Timothy H. Hoag	Director	Division 3	November 2024	Pharmacist/Teacher

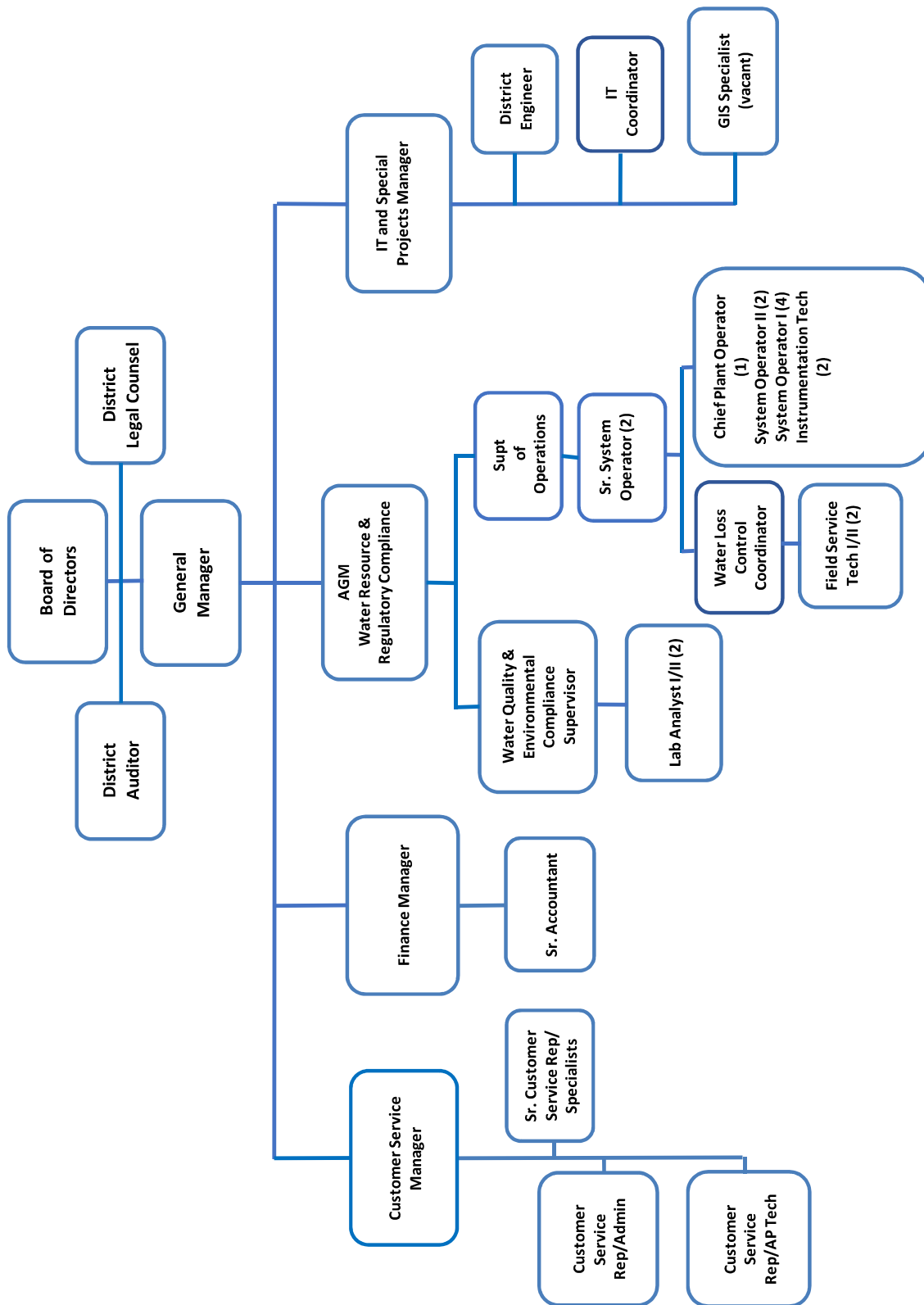
## General Manager

Daily operation of the District falls under the responsibility of the General Manager, Tony Stafford. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. As General Manager, Mr. Stafford is responsible for the general oversight of the production and distribution of potable and non-potable water, as well as wastewater collection, treatment and water recycling at the District’s Water Reclamation Facility.

In FY2021-22, the District budgeted for 25 full-time employees and a 3.0% salary increase. In FY2022-23 the District budgeted for 29 full-time positions. The budgeted salary increase for FY2022-23 remains at 3.0%.

The District is a member of the California Public Employees’ Retirement System (CalPERS). Beginning with FY2015-16, CalPERS began collecting employer contributions toward the District’s unfunded liability and side fund as dollar amounts instead of the prior method of a contribution rate. The District paid off the CalPERS Unfunded Accrued Liability (UAL) in the amount of \$4.9 million in FY2019-20. In FY2021-22, the District paid the full UAL balance shown on the actuarial report with measurement date of June 30, 2019, which set contributions for FY2021-22, and will continue to pay off any new UAL arising in future years. For FY2022-23, the District will be invoiced in the amount of \$26,349 for the required UAL payment for the year for classic employees. Employer contribution rate of 10.32% for classic employees will be collected as a percentage of payroll. In FY2020-21 and prior years, the District was paying 7% of the classic employee’s retirement contribution. The Board decided to shift that portion of the retirement cost back to the employee and did so by ramping up the employee’s contribution 1% a year until the employee was paying the full 7%. To lessen the impact on the employee, the Board also implemented a discretionary offset. This year the District will pay 5% of the 7% employee contributions for classic employees and provide a discretionary offset of 2%. The Districts retirement contribution will be reduced 1% per year with an increase of the discretionary offset at the same percentage provided to classic employees hired before July 1, 2021 until the employees’ contribution and the discretionary offset reach the maximum of 7%. Any classic employees hired after July 1, 2021 will pay the full seven percent of the employee contribution and will not be eligible for the discretionary offset. The employer contribution rate for any new employees hired since January 1, 2013 who were not subject to reciprocity as defined in the Public Employee’s Pension Reform Act (PEPRA), will be 7.47% and the required unfunded liability payment will be \$1,275. The District does not make the employee contributions of 6.750% on behalf of these employees. .

The District provides a range of medical insurance plans and dental and vision insurance through ACWA-JPIA. Recent increases in medical insurance costs have been relatively modest. The FY2022-23 budget assumes an increase of 2% effective January 1, 2023 for medical and no increase for dental and vision insurance.



## Financial Policies

### Reserve Policy

The District's Reserve Policy, (Appendix #5), the most recent version of which was adopted by Resolution of the Board on October 14, 2021, is intended to assure adequate reserves for ongoing needs while minimizing the need for new debt. The reserve levels established in the policy also help provide rate stabilization and ensure adequate fund levels to meet aging infrastructure replacements, unanticipated emergencies, and future enlargement of the District's customer base. The Board receives reports of the reserve levels quarterly and again during the budget preparation process to ensure continued conformance with long-term Board strategy.

### Investment Policy

The District's Investment Policy, the most recent version of which was adopted by Resolution of the Board on January 27, 2022, is intended to provide guidelines and restrictions for prudent investment of the District's cash reserves. The District's portfolio is carefully monitored by a four-member committee that includes the General Manager, the Manager of Finance, and two Board members. The full Board receives quarterly reports on the type of investments, the current yield, maturity dates, and market value, as appropriate. The criteria for selecting investment options are, in order of priority, safety, liquidity, and yield. Generally, maturities are limited to two-year periods, and at least 25% of the portfolio will be invested in securities that can be liquidated on one day's notice. Investments are generally limited to government-issued or government-insured securities; the District currently has approximately \$45.0 million (as of May 31st) invested in the State's Local Agency Investment Fund (LAIF). (Appendix #6).

### Debt Policy

The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital projects, and other financing needs while ensuring that debt is used and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District's Debt Policy (Appendix #7) developed and adopted by Resolution of the Board on August 11, 2016, is intended to provide guidelines for the use of debt for financing District water, sewer and recycled water infrastructure and project needs. The policy provides the following: 1) establishes criteria for the issuance of debt obligations so that acceptable levels of indebtedness are maintained; 2) transmits the message to investors and rating agencies that the District is committed to sound financial management; and 3) provides consistency and continuity to public policy development when the elected Board of Directors work from guidelines that govern the planning and execution of transactions and projects.

### Budget Policy

The District's budget is presented as a policy document, an operational tool, a financial planning tool, and a communication tool to the District's community and stakeholders. The purpose of the Budget Policy is to provide guidelines that will influence and direct the financial management practice of the District. The District's Budget Policy (Appendix #8) developed and adopted by Resolution of the Board on January 26, 2017, is intended to establish procedures to ensure consistent practices for developing the yearly budget.

### Pension Funding Policy

The District's Pension Funding Policy (Appendix #9) was developed and adopted by Resolution of the Board on January 14, 2021, is intended to provide guidance and strategies to current and future Board of Directors for addressing the District's retirement liabilities. This policy includes internal budgeting, policy directives, and financing mechanisms.



## **Basis of Budgeting & Accounting**

The District maintains its accounts on an accrual basis. Revenues are recognized when earned, and expenses are recognized when incurred.

The District is operated and reported as a single enterprise fund, which is an accounting entity that finances and accounts for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominately self-supporting through user charges.

### **Budgetary Control**

The District views the budget as an essential tool for proper financial management. This budget is developed with input from the various program managers of the organization and is adopted prior to the start of each fiscal year. The Board of Directors must approve all supplemental appropriations to the budget. The level of budgetary control (i.e., the level at which expenditures cannot exceed the appropriated amount) is at the Fund level. The Board monitors the budget through Quarterly Financial Reports, Quarterly Investment Reports, and Year-End Budget Reports.

### **Budget Process**

The budget planning and preparation process is an important District activity and provides an opportunity for the Board of Directors, Management, and Staff to reassess goals and objectives for the upcoming and future years.

During the budget process, Management and Staff update current objectives and develop new ones for the upcoming fiscal year, all of which is discussed with the Board of Directors. The process is used to develop the draft budget that is presented to the Board of Directors for initial review. The Board reviews the draft budget and makes changes it deems appropriate. The budget is posted on the District's website.

The following is the budget calendar for the development of the FY2022-23 budget.

**Budget Calendar**

3/10/2022	Present Program Accomplishments FY21-22 Present Program Goals for FY22-23
3/24/2022	FY21-22 Capital Projects Review FY22-23 Capital Projects Proposal FY22-23 Fixed Asset Proposal
4/7/2022	Projected End-of-Year Budget FY21-22 Projected End-of-Year FY21-22 Reserves
4/21/2022	3rd Quarter Review Draft Expense Budget Draft Revenue Budget Projected FY22-23 Reserve Balances
5/26/2022	Draft Expense & Revenue Budget-Update Appropriation Limit FY22-23
6/9/2022	Draft FY22-23 Operating & Capital Budget
6/23/2022	Adoption of FY22-23 Operating & Capital Budget

**Resolution No: 22-09**

A Resolution of the Board of Directors  
of Camrosa Water District

**Adopting the Operating and Capital Budget  
for Fiscal Year 2022-2023**

**Whereas,** Staff and Management of the Camrosa Water District have developed a one-year operating and capital budget for Fiscal Year 2022-2023; and

**Whereas,** the budget includes projections of operating and capital revenues and expenditures as well as changes in cash reserves in all District funds for Fiscal Year 2022-2023; and

**Whereas,** on June 9, 2022, the proposed draft budget for Fiscal Year 2022-2023 was presented and reviewed at a regular meeting of the Board of Directors of the District; and

**Whereas,** the final budget for Fiscal Year 2022-2023 was presented and considered by the Board of Directors at a regular meeting of June 23, 2022; and

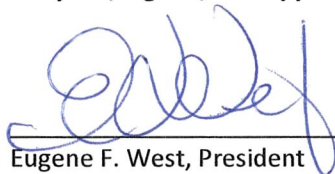
**Whereas,** the Board of Directors has determined that the proposed budget is consistent with the effective delivery of services by the District; and

**Whereas,** the Board of Directors has determined that the budget shows that with necessary Board action there will be sufficient District revenues and financial reserves to meet the District's financial obligations over the next fiscal year; and

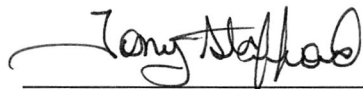
**Whereas,** it is the desire of the Board of Directors to adopt the Operating and Capital Budget for Fiscal Year 2022-2023.

**Now, Therefore, Be It Resolved** by the Camrosa Water District Board of Directors that the Operating and Capital Budget for Fiscal Year 2022-2023, attached hereto, is hereby approved and adopted.

**Adopted, Signed, and Approved** this 23<sup>rd</sup> day of June, 2022.



Eugene F. West, President  
Board of Directors  
Camrosa Water District

 (ATTEST)

Tony L. Stafford, Secretary  
Board of Directors  
Camrosa Water District

## Budget Summary

Budget Summary	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	% Change over PY
<b>Revenues</b>								
Water Sales:								
Potable	\$ 9,451,209	\$ 10,655,664	\$ 12,772,834	\$ 11,812,100	\$ 12,726,477	\$ 11,004,700	\$ (807,400)	-6.84%
Recycle/Non-Potable	3,951,614	4,507,819	4,823,961	4,708,000	4,428,773	5,066,300	358,300	7.61%
Water Sales Pleasant Valley	678,598	1,340,423	1,669,579	1,269,200	1,648,800	1,261,500	(7,700)	-0.61%
Meter Service Charge	2,615,301	2,312,427	2,346,434	2,582,800	2,498,213	2,591,900	9,100	0.35%
Sewer Service Charge	3,336,794	3,575,963	3,855,258	4,071,800	4,056,783	4,441,500	369,700	9.08%
Special Services	224,468	97,957	29,923	46,000	62,634	72,000	26,000	56.52%
Pump Zone Charges	46,658	46,037	55,411	52,000	64,171	52,000	-	0.00%
Miscellaneous	9,255	5,573	70,149	-	7,947	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 20,313,897</b>	<b>\$ 22,541,863</b>	<b>\$ 25,623,549</b>	<b>\$ 24,541,900</b>	<b>\$ 25,493,798</b>	<b>\$ 24,489,900</b>	<b>\$ (52,000)</b>	<b>-0.21%</b>
<b>Operating Expenses</b>								
Import Water Purchases-Calleguas	\$ 6,279,972	\$ 7,974,574	\$ 9,401,950	\$ 7,868,165	\$ 8,194,508	\$ 5,610,474	\$ (2,257,691)	-28.69%
Calleguas Fixed Charge	790,926	764,544	853,914	981,107	913,008	974,290	(6,817)	-0.69%
Conejo Creek Project-Thousand Oaks	645,223	658,919	958,007	618,672	702,980	640,906	22,234	3.59%
CamSan	-	-	-	-	68,000	92,963	92,963	-
Salinity Management Pipeline-Calleguas	112,790	134,156	159,937	262,690	194,792	257,177	(5,513)	-2.10%
Production Power	1,171,888	1,199,125	1,446,955	1,453,425	1,529,000	1,704,964	251,539	17.31%
<b>Total Production</b>	<b>\$ 9,000,799</b>	<b>\$ 10,731,318</b>	<b>\$ 12,820,763</b>	<b>\$ 11,184,059</b>	<b>\$ 11,602,288</b>	<b>\$ 9,280,774</b>	<b>\$ (1,903,285)</b>	<b>-17.02%</b>
Regular Salaries	\$ 2,494,625	\$ 2,598,783	\$ 2,521,803	\$ 2,681,273	\$ 2,628,697	\$ 3,185,611	\$ 504,338	18.81%
Overtime/Standby	84,137	88,778	69,874	100,314	50,144	106,104	5,790	5.77%
Part Time	32,976	25,335	25,155	70,720	75,128	53,040	(17,680)	-25.00%
Benefits	1,265,854	1,595,361	957,075	1,011,956	968,260	1,198,254	186,298	18.41%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 3,877,592</b>	<b>\$ 4,308,257</b>	<b>\$ 3,573,907</b>	<b>\$ 3,864,263</b>	<b>\$ 3,722,229</b>	<b>\$ 4,543,009</b>	<b>\$ 678,746</b>	<b>17.56%</b>
Outside Contracts	\$ 1,110,929	\$ 1,623,485	\$ 1,360,145	\$ 2,767,967	\$ 2,643,863	\$ 3,304,350	\$ 536,383	19.38%
Professional Services	98,469	200,667	266,470	754,405	1,010,000	1,196,090	441,685	58.55%
<b>Total Outside Cont/Profess Services</b>	<b>\$ 1,209,398</b>	<b>\$ 1,824,152</b>	<b>\$ 1,626,615</b>	<b>\$ 3,522,372</b>	<b>\$ 3,653,863</b>	<b>\$ 4,500,440</b>	<b>\$ 978,068</b>	<b>27.77%</b>
Utilities	\$ 85,355	\$ 74,600	\$ 91,251	\$ 98,500	\$ 99,500	\$ 100,700	\$ 2,200	2.23%
Communications	57,353	74,806	64,503	66,800	65,000	75,500	8,700	13.02%
Pipeline Repairs	361,666	360,221	304,382	465,000	359,351	490,000	25,000	5.38%
Small Tools & Equipment	24,023	18,689	14,613	31,850	31,850	33,350	1,500	4.71%
Materials & Supplies	411,385	377,328	504,752	671,750	667,859	810,415	138,665	20.64%
Repair Parts & Equipment Maintenance	861,535	834,298	644,601	1,018,500	821,700	1,022,000	3,500	0.34%
Legal Services	74,397	32,878	25,937	45,000	64,500	95,000	50,000	111.11%
Dues & Subscriptions	42,911	44,772	42,222	53,251	49,750	54,250	999	1.88%
Conference & Travel	31,752	26,132	3,494	16,500	12,300	15,300	(1,200)	-7.27%
Safety & Training	37,036	22,855	18,182	52,300	25,716	49,300	(3,000)	-5.74%
Board Expense	114,302	115,808	125,403	120,000	127,500	133,000	13,000	10.83%
Bad Debt	19,598	4,420	41,346	7,500	10,000	10,000	2,500	33.33%
Fees & Charges	133,263	155,059	196,206	214,925	208,757	299,325	84,400	39.27%
Insurance	86,137	85,278	87,097	110,000	95,000	118,000	8,000	7.27%
<b>Total Supplies &amp; Services</b>	<b>\$ 2,340,713</b>	<b>\$ 2,227,144</b>	<b>\$ 2,163,989</b>	<b>\$ 2,971,876</b>	<b>\$ 2,638,783</b>	<b>\$ 3,306,140</b>	<b>\$ 334,264</b>	<b>11.25%</b>
<b>Total Expenses</b>	<b>\$ 16,428,502</b>	<b>\$ 19,090,871</b>	<b>\$ 20,185,274</b>	<b>\$ 21,542,570</b>	<b>\$ 21,617,163</b>	<b>\$ 21,630,363</b>	<b>\$ 87,793</b>	<b>0.41%</b>
<b>Net Operating Revenues</b>	<b>\$ 3,885,395</b>	<b>\$ 3,450,992</b>	<b>\$ 5,438,275</b>	<b>\$ 2,999,330</b>	<b>\$ 3,876,635</b>	<b>\$ 2,859,537</b>	<b>\$ (139,793)</b>	<b>-4.66%</b>
<b>Less: Non-Operating Expenses</b>								
Debt Service 2011A/2016	\$ 1,046,031	\$ 1,033,231	\$ 1,034,531	\$ 1,044,631	\$ 1,044,631	\$ 1,035,331	\$ (9,300)	-0.89%
Debt Service 2012	1,124,100	1,096,750	-	-	-	-	-	-
Rate Stabilization Contribution	-	100,000	295,000	150,000	150,000	70,000	(80,000)	-53.33%
CalPERS UAL Additional Contribution	-	-	-	142,109	-	-	-	-
Capital Replacement Contribution	2,950,000	1,300,000	4,690,000	2,400,000	3,421,000	2,517,000	117,000	4.88%
<b>Total Non-Operating Expenses</b>	<b>\$ 5,120,131</b>	<b>\$ 3,529,981</b>	<b>\$ 6,019,531</b>	<b>\$ 3,736,740</b>	<b>\$ 4,615,631</b>	<b>\$ 3,622,331</b>	<b>\$ 27,700</b>	<b>0.74%</b>
<b>Add: Non-Operating Revenues</b>								
Interest Revenues	\$ 777,592	\$ 655,911	\$ 141,595	\$ 153,257	\$ 68,601	\$ 68,000	\$ (85,257)	-55.63%
Taxes	620,590	661,932	700,753	684,838	684,840	734,527	49,689	8.01%
<b>Total Non-Operating Revenues</b>	<b>\$ 1,398,182</b>	<b>\$ 1,317,843</b>	<b>\$ 842,348</b>	<b>\$ 838,095</b>	<b>\$ 753,441</b>	<b>\$ 802,527</b>	<b>\$ (35,568)</b>	<b>-4.24%</b>
<b>Net Operating Results</b>	<b>\$ 163,446</b>	<b>\$ 1,238,854</b>	<b>\$ 261,092</b>	<b>\$ 100,685</b>	<b>\$ 14,445</b>	<b>\$ 39,733</b>	<b>\$ (60,952)</b>	
Capital Fees	\$ 3,342,260	\$ 9,825	\$ 55,825	\$ -	\$ -	\$ -	\$ -	-
Mitigation & In-Lieu Fees	2,323,857	-	1,324,678	-	-	-	-	-
GAC Reimbursement	-	-	-	-	16,191,774	-	-	-
Grants	290,622	326,415	777	-	187	-	-	-
<b>Net Operating Results After Capital Fees &amp; Grants</b>	<b>\$ 5,956,739</b>	<b>\$ 336,240</b>	<b>\$ 1,381,280</b>	<b>\$ -</b>	<b>\$ 16,191,961</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Net Operating Results After Capital Fees &amp; Grants</b>	<b>\$ 6,120,185</b>	<b>\$ 1,575,094</b>	<b>\$ 1,642,372</b>	<b>\$ 100,685</b>	<b>\$ 16,206,406</b>	<b>\$ 39,733</b>	<b>\$ (60,952)</b>	

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget

## Water Program

Water Program	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	% Change over PY
<b>Revenues</b>								
Water Sales:								
Potable	\$ 9,451,209	\$ 10,655,664	\$ 12,772,834	\$ 11,812,100	\$ 12,726,477	\$ 11,004,700	\$ (807,400)	-6.84%
Recycle/Non-Potable	3,951,614	4,507,819	4,823,961	4,708,000	4,428,773	5,066,300	358,300	7.61%
Water Sales Pleasant Valley	678,598	1,340,423	1,669,579	1,269,200	1,648,800	1,261,500	(7,700)	-0.61%
Meter Service Charge	2,615,301	2,312,427	2,346,434	2,582,800	2,498,213	2,591,900	9,100	0.35%
Special Services	145,904	69,266	25,378	40,000	48,037	55,000	15,000	37.50%
Pump Zone Charges	46,658	46,037	55,411	52,000	64,171	52,000	-	0.00%
Miscellaneous	8,356	4,272	69,331	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 16,897,640</b>	<b>\$ 18,935,908</b>	<b>\$ 21,762,928</b>	<b>\$ 20,464,100</b>	<b>\$ 21,414,471</b>	<b>\$ 20,031,400</b>	<b>\$ (432,700)</b>	<b>-2.11%</b>
<b>Operating Expenses</b>								
Import Water Purchases-Calleguas	\$ 6,279,972	\$ 7,974,574	\$ 9,401,950	\$ 7,868,165	\$ 8,194,508	\$ 5,610,474	\$ (2,257,691)	-28.69%
Calleguas Fixed Charge	790,926	764,544	853,914	981,107	913,008	974,290	(6,817)	-0.69%
Conejo Creek Project	645,223	658,919	958,007	618,672	702,980	640,906	22,234	3.59%
CamSan					68,000	92,963	92,963	-
Salinity Management Pipeline-Calleguas	84,407	120,048	150,165	241,198	184,417	234,193	(7,005)	-2.90%
Production Power	1,171,888	1,199,125	1,446,955	1,453,425	1,529,000	1,704,964	251,539	17.31%
<b>Total Production</b>	<b>\$ 8,972,416</b>	<b>\$ 10,717,210</b>	<b>\$ 12,810,991</b>	<b>\$ 11,162,567</b>	<b>\$ 11,591,913</b>	<b>\$ 9,257,790</b>	<b>\$ (1,904,777)</b>	<b>-17.06%</b>
Regular Salaries	\$ 1,621,506	\$ 1,724,293	\$ 1,639,172	\$ 1,742,827	\$ 1,708,653	\$ 2,070,647	\$ 327,820	18.81%
Overtime/Standby	54,689	58,904	45,418	65,204	32,594	68,968	3,764	5.77%
Part Time	21,434	16,810	16,351	45,968	48,834	34,476	(11,492)	-25.00%
Benefits	822,805	1,058,522	622,099	657,771	629,369	778,865	121,094	18.41%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 2,520,434</b>	<b>\$ 2,858,529</b>	<b>\$ 2,323,040</b>	<b>\$ 2,511,770</b>	<b>\$ 2,419,450</b>	<b>\$ 2,952,956</b>	<b>\$ 441,186</b>	<b>17.56%</b>
Outside Contracts	\$ 619,050	\$ 863,751	\$ 662,585	\$ 1,765,418	\$ 1,596,161	\$ 1,983,487	\$ 218,069	12.35%
Professional Services	55,053	115,666	147,250	516,263	864,750	889,958	373,695	72.38%
<b>Total Outside Cont/Profess Services</b>	<b>\$ 674,103</b>	<b>\$ 979,417</b>	<b>\$ 809,835</b>	<b>\$ 2,281,681</b>	<b>\$ 2,460,911</b>	<b>\$ 2,873,445</b>	<b>\$ 591,764</b>	<b>25.94%</b>
Utilities	\$ 60,899	\$ 55,714	\$ 71,569	\$ 73,525	\$ 74,525	\$ 75,655	\$ 2,130	2.90%
Communications	37,279	48,624	41,927	43,420	42,250	49,075	5,655	13.02%
Pipeline Repairs	361,666	347,130	299,013	455,000	345,000	480,000	25,000	5.49%
Small Tools & Equipment	17,867	16,249	12,681	28,402	28,402	29,152	750	2.64%
Materials & Supplies	319,469	287,125	377,140	548,915	541,861	661,752	112,837	20.56%
Repair Parts & Equipment Maintenance	683,850	715,504	563,015	883,325	712,100	886,325	3,000	0.34%
Legal Services	48,358	21,371	16,861	29,250	41,925	79,250	50,000	170.94%
Dues & Subscriptions	27,892	29,102	27,444	32,663	32,338	33,313	650	1.99%
Conference & Travel	20,639	16,986	2,271	10,725	7,995	9,945	(780)	-7.27%
Safety & Training	24,073	14,856	11,818	33,995	16,715	32,045	(1,950)	-5.74%
Board Expense	74,296	75,275	81,512	78,000	82,875	86,450	8,450	10.83%
Bad Debt	12,739	2,873	41,292	4,875	6,500	6,500	1,625	33.33%
Fees & Charges	92,425	98,585	130,157	132,937	128,887	200,162	67,225	50.57%
Insurance	55,989	55,431	56,613	71,500	61,750	76,700	5,200	7.27%
<b>Total Supplies &amp; Services</b>	<b>\$ 1,837,441</b>	<b>\$ 1,784,825</b>	<b>\$ 1,733,313</b>	<b>\$ 2,426,532</b>	<b>\$ 2,123,123</b>	<b>\$ 2,706,324</b>	<b>\$ 279,792</b>	<b>11.53%</b>
<b>Total Expenses</b>	<b>\$ 14,004,394</b>	<b>\$ 16,339,981</b>	<b>\$ 17,677,179</b>	<b>\$ 18,382,550</b>	<b>\$ 18,595,397</b>	<b>\$ 17,790,515</b>	<b>\$ (592,035)</b>	<b>-3.22%</b>
<b>Net Operating Revenues</b>	<b>\$ 2,893,246</b>	<b>\$ 2,595,927</b>	<b>\$ 4,085,749</b>	<b>\$ 2,081,550</b>	<b>\$ 2,819,074</b>	<b>\$ 2,240,885</b>	<b>\$ 159,335</b>	<b>7.65%</b>
<b>Less: Non-Operating Expenses</b>								
Debt Service 2011A/2016	\$ 854,381	\$ 846,581	\$ 843,081	\$ 853,681	\$ 853,681	\$ 845,806	\$ (7,875)	-0.92%
Debt Service 2012	682,500	666,250	-	-	-	-	-	-
Rate Stabilization Contribution	-	100,000	295,000	70,000	70,000	70,000	-	0.00%
CalPERS UAL Additional Contribution	-	-	-	92,371	-	-	(92,371)	-100.00%
Capital Replacement Contribution	2,450,000	1,250,000	3,540,000	1,795,000	2,626,000	2,097,000	302,000	16.82%
<b>Total Non-Operating Expenses</b>	<b>\$ 3,986,881</b>	<b>\$ 2,862,831</b>	<b>\$ 4,678,081</b>	<b>\$ 2,811,052</b>	<b>\$ 3,549,681</b>	<b>\$ 3,012,806</b>	<b>\$ 201,754</b>	<b>7.18%</b>
<b>Add: Non-Operating Revenues</b>								
Interest Revenues	\$ 540,721	\$ 502,387	\$ 108,987	\$ 119,801	\$ 55,692	\$ 55,000	\$ (64,801)	-54.09%
Taxes	620,590	661,932	700,753	684,838	684,840	734,527	49,689	7.26%
<b>Total Non-Operating Revenues</b>	<b>\$ 1,161,311</b>	<b>\$ 1,164,319</b>	<b>\$ 809,740</b>	<b>\$ 804,639</b>	<b>\$ 740,532</b>	<b>\$ 789,527</b>	<b>\$ (15,112)</b>	<b>-1.88%</b>
<b>Net Operating Results</b>	<b>\$ 67,676</b>	<b>\$ 897,415</b>	<b>\$ 217,408</b>	<b>\$ 75,137</b>	<b>\$ 9,925</b>	<b>\$ 17,606</b>	<b>\$ (57,531)</b>	
Capital Fees	\$ 1,986,350	\$ 9,825	\$ 55,825	\$ -	\$ -	\$ -	\$ -	-
Mitigation & In-Lieu Fees	2,323,857	-	1,324,678	-	-	-	-	-
GAC Reimbursement	-	-	-	-	16,191,774	-	-	-
Grants	290,622	326,415	777	-	187	-	-	-
<b>Total Capital Fees &amp; Grants</b>	<b>\$ 4,600,829</b>	<b>\$ 336,240</b>	<b>\$ 1,381,280</b>	<b>\$ -</b>	<b>\$ 16,191,961</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Net Operating Results After Capital Fees &amp; Grants</b>	<b>\$ 4,668,505</b>	<b>\$ 1,233,655</b>	<b>\$ 1,598,688</b>	<b>\$ 75,137</b>	<b>\$ 16,201,886</b>	<b>\$ 17,606</b>	<b>\$ (57,531)</b>	
<b>Debt Ratio</b>	<b>5.44</b>	<b>2.49</b>	<b>7.44</b>	<b>3.38</b>	<b>4.17</b>	<b>3.58</b>		

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



## Potable Water Program

Potable Water Program	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Revenues</b>								
Water Sales:								
Potable	\$ 9,451,209	\$ 10,655,664	\$ 12,772,834	\$ 11,812,100	\$ 12,726,477	\$ 11,004,700	\$ (807,400)	-6.84%
Meter Service Charge	2,358,515	2,181,678	2,218,854	2,492,000	2,370,899	2,465,300	(26,700)	-1.07%
Special Services	114,456	40,258	20,362	30,000	26,559	30,000	-	0.00%
Pump Zone Charges	29,653	28,045	32,650	31,000	37,739	31,000	-	0.00%
Miscellaneous	6,687	3,112	68,663	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 11,960,520</b>	<b>\$ 12,908,757</b>	<b>\$ 15,113,363</b>	<b>\$ 14,365,100</b>	<b>\$ 15,161,674</b>	<b>\$ 13,531,000</b>	<b>\$ (834,100)</b>	<b>-5.81%</b>
<b>Operating Expenses</b>								
Import Water Purchases-Calleguas	\$ 5,756,914	\$ 7,349,836	\$ 8,803,462	\$ 7,215,372	\$ 7,605,339	\$ 4,841,579	\$ (2,373,793)	-32.90%
Calleguas Fixed Charge	790,926	764,544	853,914	981,107	913,008	974,290	(6,817)	-0.69%
Salinity Management Pipeline-Calleguas	84,407	120,048	150,165	241,198	184,417	234,193	(7,005)	-2.90%
Production Power	422,847	420,625	553,575	561,513	670,000	840,781	279,268	49.73%
<b>Total Production</b>	<b>\$ 7,055,094</b>	<b>\$ 8,655,053</b>	<b>\$ 10,361,116</b>	<b>\$ 8,999,190</b>	<b>\$ 9,372,764</b>	<b>\$ 6,890,843</b>	<b>\$ (2,108,347)</b>	<b>-23.43%</b>
Regular Salaries	\$ 1,053,979	\$ 1,148,379	\$ 1,065,462	\$ 1,132,838	\$ 1,110,624	\$ 1,345,921	\$ 213,083	18.81%
Overtime/Standby	35,548	39,230	29,522	42,383	21,186	44,829	2,446	5.77%
Part Time	13,932	11,196	10,628	29,879	31,742	22,409	(7,470)	-25.00%
Benefits	534,823	704,976	404,364	427,551	409,090	506,262	78,711	18.41%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 1,638,282</b>	<b>\$ 1,903,781</b>	<b>\$ 1,509,976</b>	<b>\$ 1,632,651</b>	<b>\$ 1,572,642</b>	<b>\$ 1,919,421</b>	<b>\$ 286,770</b>	<b>17.56%</b>
Outside Contracts	\$ 376,421	\$ 539,579	\$ 360,672	\$ 1,075,619	\$ 973,004	\$ 1,171,401	\$ 95,782	8.90%
Professional Services	28,575	69,071	87,610	265,457	451,070	579,978	314,521	118.48%
<b>Total Outside Cont/Profess Services</b>	<b>\$ 404,996</b>	<b>\$ 608,650</b>	<b>\$ 448,282</b>	<b>\$ 1,341,076</b>	<b>\$ 1,424,074</b>	<b>\$ 1,751,379</b>	<b>\$ 410,303</b>	<b>30.60%</b>
Utilities	\$ 53,663	\$ 48,144	\$ 63,840	\$ 64,633	\$ 65,633	\$ 66,701	\$ 2,068	3.20%
Communications	19,385	25,285	21,802	22,578	21,970	25,519	2,941	13.03%
Pipeline Repairs	321,304	309,232	289,955	380,000	295,000	380,000	-	0.00%
Small Tools & Equipment	12,385	14,633	12,477	22,029	22,029	22,419	390	1.77%
Materials & Supplies	265,776	236,173	325,393	464,716	461,528	573,071	108,355	23.32%
Repair Parts & Equipment Maintenance	405,330	336,606	366,596	502,929	427,092	505,689	2,760	0.55%
Legal Services	25,146	11,113	8,768	15,210	21,801	40,210	25,000	164.37%
Dues & Subscriptions	14,504	15,133	14,271	16,985	16,816	17,323	338	1.99%
Conference & Travel	10,732	8,833	1,181	5,577	4,157	5,171	(406)	-7.28%
Safety & Training	12,518	7,725	6,145	17,677	8,692	16,663	(1,014)	-5.74%
Board Expense	38,634	39,143	42,386	40,560	43,095	44,954	4,394	10.83%
Bad Debt	6,624	1,494	1,857	2,535	3,380	3,380	845	33.33%
Fees & Charges	72,330	76,137	108,505	103,451	100,877	169,260	65,809	63.61%
Insurance	29,114	28,824	29,439	37,180	32,110	\$ 39,884	2,704	7.27%
<b>Total Supplies &amp; Services</b>	<b>\$ 1,287,445</b>	<b>\$ 1,158,475</b>	<b>\$ 1,292,615</b>	<b>\$ 1,696,060</b>	<b>\$ 1,524,180</b>	<b>\$ 1,910,244</b>	<b>\$ 214,184</b>	<b>310%</b>
<b>Total Expenses</b>	<b>\$ 10,385,817</b>	<b>\$ 12,325,959</b>	<b>\$ 13,611,989</b>	<b>\$ 13,668,977</b>	<b>\$ 13,893,660</b>	<b>\$ 12,471,887</b>	<b>\$ (1,197,090)</b>	<b>-8.76%</b>
<b>Net Operating Revenues</b>	<b>\$ 1,574,703</b>	<b>\$ 582,798</b>	<b>\$ 1,501,374</b>	<b>696,123</b>	<b>1,268,014</b>	<b>\$ 1,059,113</b>	<b>\$ 362,990</b>	<b>0%</b>
<b>Less: Non-Operating Expenses</b>								
Debt Service 2011A/2016	\$ 823,790	\$ 816,338	\$ 813,066	\$ 823,036	\$ 823,036	\$ 815,588	\$ (7,448)	-0.90%
Rate Stabilization Contribution	-	100,000	-	-	-	-	-	-
CalPERS UAL Additional Contribution	-	-	-	60,041	-	-	(60,041)	-
Capital Replacement Contribution	1,550,000	50,000	990,000	275,000	888,000	710,000	435,000	-
<b>Total Non-Operating Expenses</b>	<b>\$ 2,373,790</b>	<b>\$ 966,338</b>	<b>\$ 1,803,066</b>	<b>\$ 1,158,077</b>	<b>\$ 1,711,036</b>	<b>\$ 1,525,588</b>	<b>\$ 367,511</b>	<b>31.73%</b>
<b>Add: Non-Operating Revenues</b>								
Interest Revenues	466,701	421,383	82,090	89,418	41,480	40,000	\$ (49,418)	-55.27%
Taxes	372,354	397,159	420,452	410,904	410,904	440,716	29,812	7.26%
<b>Total Non-Operating Revenues</b>	<b>\$ 839,055</b>	<b>\$ 818,542</b>	<b>\$ 502,542</b>	<b>\$ 500,322</b>	<b>\$ 452,384</b>	<b>\$ 480,716</b>	<b>\$ (19,606)</b>	<b>-48.01%</b>
<b>Net Operating Results</b>	<b>\$ 39,968</b>	<b>\$ 435,002</b>	<b>\$ 200,850</b>	<b>\$ 38,368</b>	<b>\$ 9,362</b>	<b>\$ 14,241</b>	<b>\$ (24,127)</b>	<b>-62.88%</b>
Capital Fees	\$ 1,986,350	\$ 9,825	\$ 55,825	\$ -	\$ -	\$ -	\$ -	-
Mitigation & In-Lieu Fees	1,686,260	-	1,324,678	-	-	-	-	-
GAC reimbursement	-	-	-	-	16,191,774	-	-	-
Grants	62,904	73,231	-	-	-	-	-	-
<b>Net Operating Results After Capital Fees &amp; Grants</b>	<b>\$ 3,735,514</b>	<b>\$ 83,056</b>	<b>\$ 1,380,503</b>	<b>\$ -</b>	<b>\$ 16,191,774</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Capital Fees &amp; Grants</b>	<b>\$ 3,775,482</b>	<b>\$ 518,058</b>	<b>\$ 1,581,353</b>	<b>\$ 38,368</b>	<b>\$ 16,201,136</b>	<b>\$ 14,241</b>	<b>\$ (24,127)</b>	

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget

## Non-Potable Water Program

Non-Potable Water Program	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Revenues</b>								
Water Sales:								
Recycle/Non-Potable	\$ 3,951,614	\$ 4,507,819	\$ 4,823,961	\$ 4,708,000	\$ 4,428,773	\$ 5,066,300	\$ 358,300	7.61%
Water Sales Pleasant Valley	678,598	1,340,423	1,669,579	1,269,200	1,648,800	1,261,500	(7,700)	-0.61%
Meter Service Charge	256,786	130,749	127,580	90,800	127,314	126,600	35,800	39.43%
Special Services	31,448	29,008	5,016	10,000	21,478	25,000	15,000	150.00%
Pump Zone Charges	17,005	17,992	22,761	21,000	26,432	21,000	-	0.00%
Miscellaneous	1,669	1,160	668	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 4,937,120</b>	<b>\$ 6,027,151</b>	<b>\$ 6,649,565</b>	<b>\$ 6,099,000</b>	<b>\$ 6,252,797</b>	<b>\$ 6,500,400</b>	<b>\$ 401,400</b>	<b>6.58%</b>
<b>Operating Expenses</b>								
Import Water Purchases-Calleguas	\$ 523,058	\$ 624,738	\$ 598,488	\$ 652,793	\$ 589,169	\$ 768,895	\$ 116,102	17.79%
Conejo Creek Project	645,223	658,919	958,007	618,672	702,980	640,906	22,234	3.59%
CamSan	-	-	-	-	68,000	92,963	92,963	-
Production Power	749,041	778,500	893,380	891,912	859,000	864,183	(27,729)	-3.11%
<b>Total Production</b>	<b>\$ 1,917,322</b>	<b>\$ 2,062,157</b>	<b>\$ 2,449,875</b>	<b>\$ 2,163,377</b>	<b>\$ 2,219,149</b>	<b>\$ 2,366,947</b>	<b>\$ 203,570</b>	<b>9.41%</b>
Regular Salaries	\$ 567,527	\$ 575,914	\$ 573,710	\$ 609,989	\$ 598,029	\$ 724,726	\$ 114,737	18.81%
Overtime/Standby	19,141	19,674	15,896	22,821	11,408	24,139	1,318	5.78%
Part Time	7,502	5,614	5,723	16,089	17,092	12,067	(4,022)	-25.00%
Benefits	287,982	353,546	217,735	230,220	220,279	272,603	42,383	18.41%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 882,152</b>	<b>\$ 954,748</b>	<b>\$ 813,064</b>	<b>\$ 879,119</b>	<b>\$ 846,808</b>	<b>\$ 1,033,535</b>	<b>\$ 154,416</b>	<b>17.56%</b>
Outside Contracts	\$ 242,629	\$ 324,172	\$ 301,913	\$ 689,799	\$ 623,157	\$ 812,086	\$ 122,287	17.73%
Professional Services	26,478	46,595	59,640	250,806	413,680	309,980	59,174	23.59%
<b>Total Outside Cont/Profess Services</b>	<b>\$ 269,107</b>	<b>\$ 370,767</b>	<b>\$ 361,553</b>	<b>\$ 940,605</b>	<b>\$ 1,036,837</b>	<b>\$ 1,122,066</b>	<b>\$ 181,461</b>	<b>19.29%</b>
Utilities	\$ 7,236	\$ 7,570	\$ 7,729	\$ 8,892	\$ 8,892	\$ 8,954	\$ 62	0.70%
Communications	17,894	23,339	20,125	20,842	20,280	23,556	2,714	13.02%
Pipeline Repairs	40,362	37,898	9,058	75,000	50,000	100,000	25,000	33.33%
Small Tools & Equipment	5,482	1,616	204	6,373	6,373	6,733	360	5.65%
Materials & Supplies	53,693	50,952	51,747	84,199	80,333	88,681	4,482	5.32%
Repair Parts & Equipment Maintenance	278,520	378,898	196,419	380,396	285,008	380,636	240	0.06%
Legal Services	23,212	10,258	8,093	14,040	20,124	39,040	25,000	178.06%
Dues & Subscriptions	13,388	13,969	13,173	15,678	15,522	15,990	312	1.99%
Conference & Travel	9,907	8,153	1,090	5,148	3,838	4,774	(374)	-7.26%
Safety & Training	11,555	7,131	5,673	16,318	8,023	15,382	(936)	-5.74%
Board Expense	35,662	36,132	39,126	37,440	39,780	41,496	4,056	10.83%
Bad Debt	6,115	1,379	39,435	2,340	3,120	3,120	780	33.33%
Fees & Charges	20,095	22,448	21,652	29,486	28,010	30,902	1,416	4.80%
Insurance	26,875	26,607	27,174	34,320	29,640	36,816	2,496	7.27%
<b>Total Supplies &amp; Services</b>	<b>\$ 549,996</b>	<b>\$ 626,350</b>	<b>\$ 440,698</b>	<b>\$ 730,472</b>	<b>\$ 598,943</b>	<b>\$ 796,080</b>	<b>\$ 65,608</b>	<b>8.98%</b>
<b>Total Expenses</b>	<b>\$ 3,618,577</b>	<b>\$ 4,014,022</b>	<b>\$ 4,065,190</b>	<b>\$ 4,713,573</b>	<b>\$ 4,701,737</b>	<b>\$ 5,318,628</b>	<b>\$ 605,055</b>	<b>12.84%</b>
<b>Net Operating Revenues</b>	<b>\$ 1,318,543</b>	<b>\$ 2,013,129</b>	<b>\$ 2,584,375</b>	<b>\$ 1,385,427</b>	<b>\$ 1,551,060</b>	<b>\$ 1,181,772</b>	<b>\$ (203,655)</b>	<b>-14.70%</b>
<b>Less: Non-Operating Expenses</b>								
Debt Service 2011A/2016	\$ 30,591	\$ 30,243	\$ 30,015	\$ 30,645	\$ 30,645	\$ 30,218	\$ (427)	-1.39%
Debt Service 2012	682,500	666,250	-	-	-	-	-	-
Rate Stabilization Contribution	-	-	295,000	70,000	70,000	70,000	-	-
CalPERS UAL Additional Contribution	-	-	-	32,330	-	-	(32,330)	-
Capital Replacement Contribution	900,000	1,200,000	2,550,000	1,520,000	1,738,000	1,387,000	(133,000)	-8.75%
<b>Total Non-Operating Expenses</b>	<b>\$ 1,613,091</b>	<b>\$ 1,896,493</b>	<b>\$ 2,875,015</b>	<b>\$ 1,652,975</b>	<b>\$ 1,838,645</b>	<b>\$ 1,487,218</b>	<b>\$ (165,757)</b>	<b>-10.03%</b>
<b>Add: Non-Operating Revenues</b>								
Interest Revenues	\$ 74,020	\$ 81,004	\$ 26,897	\$ 30,383	\$ 14,212	\$ 15,000	\$ (15,383)	-50.63%
Taxes	248,236	264,773	280,301	273,934	273,936	293,811	19,877	7.26%
<b>Total Non-Operating Revenues</b>	<b>\$ 322,256</b>	<b>\$ 345,777</b>	<b>\$ 307,198</b>	<b>\$ 304,317</b>	<b>\$ 288,148</b>	<b>\$ 308,811</b>	<b>\$ 4,494</b>	<b>1.48%</b>
<b>Net Operating Results</b>	<b>\$ 27,708</b>	<b>\$ 462,413</b>	<b>\$ 16,558</b>	<b>\$ 36,769</b>	<b>\$ 563</b>	<b>\$ 3,365</b>	<b>\$ (33,404)</b>	
Capital Fees	-	-	-	-	-	-	-	-
Mitigation & In-Lieu Fees	637,597	-	-	-	-	-	-	-
Grants	227,718	253,184	777	-	187	-	-	-
<b>Net Operating Results After Capital Fees &amp; Grants</b>	<b>\$ 865,315</b>	<b>\$ 253,184</b>	<b>\$ 777</b>	<b>\$ -</b>	<b>\$ 187</b>	<b>\$ -</b>		
	<b>\$ 893,023</b>	<b>\$ 715,597</b>	<b>\$ 17,335</b>	<b>\$ 36,769</b>	<b>\$ 750</b>	<b>\$ 3,365</b>	<b>\$ (33,404)</b>	

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



## Wastewater Program

Wastewater Program	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Revenues</b>								
Sewer Service Charge	\$ 3,336,794	\$ 3,575,963	\$ 3,855,258	\$ 4,071,800	\$ 4,056,783	\$ 4,441,500	\$ 369,700	9.08%
Special Services	78,564	28,691	4,545	6,000	14,597	17,000	11,000	183.33%
Miscellaneous	899	1,301	818	-	7,947	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 3,416,257</b>	<b>\$ 3,605,955</b>	<b>\$ 3,860,621</b>	<b>\$ 4,077,800</b>	<b>\$ 4,079,327</b>	<b>\$ 4,458,500</b>	<b>\$ 380,700</b>	<b>9.34%</b>
<b>Operating Expenses</b>								
Salinity Management Pipeline-Calleguas	\$ 28,383	\$ 14,108	\$ 9,772	\$ 21,492	\$ 10,375	\$ 22,984	1,492	6.94%
<b>Total Production</b>	<b>\$ 28,383</b>	<b>\$ 14,108</b>	<b>\$ 9,772</b>	<b>\$ 21,492</b>	<b>\$ 10,375</b>	<b>\$ 22,984</b>	<b>\$ 1,492</b>	<b>6.94%</b>
Regular Salaries	\$ 873,119	\$ 874,490	\$ 882,631	\$ 938,446	\$ 920,044	\$ 1,114,964	\$ 176,518	18.81%
Overtime/Standby	29,448	29,874	24,456	35,110	17,550	37,136	2,026	5.77%
Part Time	11,542	8,525	8,804	24,752	26,294	18,564	(6,188)	-25.00%
Benefits	443,049	536,839	334,976	354,185	338,891	419,389	65,204	18.41%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 1,357,158</b>	<b>\$ 1,449,728</b>	<b>\$ 1,250,867</b>	<b>\$ 1,352,493</b>	<b>\$ 1,302,779</b>	<b>\$ 1,590,053</b>	<b>\$ 237,560</b>	<b>\$ -</b>
Outside Contracts	\$ 491,879	\$ 759,734	\$ 697,560	\$ 1,002,549	\$ 1,047,702	\$ 1,320,863	\$ 318,314	31.75%
Professional Services	43,416	85,001	119,220	238,142	145,250	306,132	67,990	28.55%
<b>Total Outside Cont/Profess Services</b>	<b>\$ 535,295</b>	<b>\$ 844,735</b>	<b>\$ 816,780</b>	<b>\$ 1,240,691</b>	<b>\$ 1,192,952</b>	<b>\$ 1,626,995</b>	<b>\$ 386,304</b>	<b>31.14%</b>
Utilities	\$ 24,456	\$ 18,886	\$ 19,682	\$ 24,975	\$ 24,975	\$ 25,045	\$ 70	0.28%
Communications	20,074	26,182	22,576	23,380	22,750	26,425	3,045	13.02%
Pipeline Repairs	-	13,091	5,369	10,000	14,351	10,000	-	0.00%
Small Tools & Equipment	6,156	2,440	1,932	3,448	3,448	4,198	750	21.75%
Materials & Supplies	91,916	90,203	127,612	122,835	125,998	148,663	25,828	21.03%
Repair Parts & Equipment Maintenance	177,685	118,794	81,586	135,175	109,600	135,675	500	0.37%
Legal Services	26,039	11,507	9,076	15,750	22,575	15,750	-	0.00%
Dues & Subscriptions	15,019	15,670	14,778	20,588	17,412	20,937	349	1.70%
Conference & Travel	11,113	9,146	1,223	5,775	4,305	5,355	(420)	-7.27%
Safety & Training	12,963	7,999	6,364	18,305	9,001	17,255	(1,050)	-5.74%
Board Expense	40,006	40,533	43,891	42,000	44,625	46,550	4,550	10.83%
Bad Debt	6,859	1,547	54	2,625	3,500	3,500	875	33.33%
Fees & Charges	40,838	56,474	66,049	81,988	79,870	99,163	17,175	20.95%
Insurance	30,148	29,847	30,484	38,500	33,250	41,300	2,800	7.27%
<b>Total Supplies &amp; Services</b>	<b>\$ 503,272</b>	<b>\$ 442,319</b>	<b>\$ 430,676</b>	<b>\$ 545,344</b>	<b>\$ 515,660</b>	<b>\$ 599,816</b>	<b>\$ 54,472</b>	<b>9.99%</b>
<b>Total Expenses</b>	<b>\$ 2,424,108</b>	<b>\$ 2,750,890</b>	<b>\$ 2,508,095</b>	<b>\$ 3,160,020</b>	<b>\$ 3,021,766</b>	<b>\$ 3,839,848</b>	<b>\$ 679,828</b>	<b>21.51%</b>
<b>Net Operating Revenues</b>	<b>\$ 992,149</b>	<b>\$ 855,065</b>	<b>\$ 1,352,526</b>	<b>\$ 917,780</b>	<b>\$ 1,057,561</b>	<b>\$ 618,652</b>	<b>\$ (299,128)</b>	<b>-32.59%</b>
<b>Less: Non-Operating Expenses</b>								
Debt Service 2011A/2016	\$ 191,650	\$ 186,650	\$ 191,450	\$ 190,950	\$ 190,950	\$ 189,525	\$ (1,425)	-0.75%
Debt Service 2012	441,600	430,500	-	-	-	-	-	0.00%
Rate Stabilization Contribution	-	-	-	80,000	80,000	-	(80,000)	-100.00%
CalPERS UAL Additional Contribution	-	-	-	49,738	-	-	(49,738)	-100.00%
Capital Replacement Contribution	500,000	50,000	1,150,000	605,000	795,000	440,000	(165,000)	-27.27%
<b>Total Non-Operating Expenses</b>	<b>\$ 1,133,250</b>	<b>\$ 667,150</b>	<b>\$ 1,341,450</b>	<b>\$ 925,688</b>	<b>\$ 1,065,950</b>	<b>\$ 629,525</b>	<b>\$ (296,163)</b>	<b>-31.99%</b>
<b>Add: Non-Operating Revenues</b>								
Interest Revenues	\$ 236,871	\$ 153,524	\$ 32,608	\$ 33,456	\$ 12,909	\$ 13,000	\$ (20,456)	-61.14%
<b>Total Non-Operating Revenues</b>	<b>\$ 236,871</b>	<b>\$ 153,524</b>	<b>\$ 32,608</b>	<b>\$ 33,456</b>	<b>\$ 12,909</b>	<b>\$ 13,000</b>	<b>\$ (20,456)</b>	<b>-61.14%</b>
<b>Net Operating Results</b>	<b>\$ 95,770</b>	<b>\$ 341,439</b>	<b>\$ 43,684</b>	<b>\$ 25,548</b>	<b>\$ 4,520</b>	<b>\$ 2,127</b>	<b>\$ (23,421)</b>	
Capital Fees	1,355,910	-	-	-	-	-	-	-
<b>Net Operating Results After Capital Fees &amp; Grants</b>	<b>\$ 1,451,680</b>	<b>\$ 341,439</b>	<b>\$ 43,684</b>	<b>\$ 25,548</b>	<b>\$ 4,520</b>	<b>\$ 2,127</b>	<b>\$ (23,421)</b>	
<b>Debt Ratio</b>	<b>4.08</b>	<b>1.63</b>	<b>7.23</b>	<b>4.98</b>	<b>5.61</b>	<b>3.33</b>		

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget

## Revenues

Camrosa's revenues are received from seven major sources. Water Sales represent approximately 69% of the total revenues, Water Meter Service Charges are typically 10% of revenues, Sewer Service Charges are about 17%, Taxes 3%, and a small amount from Interest and a combination of Special Service fees (new account starts, plan check fees, late penalties, and reconnection fees), and Pump Zone surcharges.

### FY2021-22

Total operating and non-operating revenues for FY2021-22 are projected to be \$26,247,426 or approximately \$867,431 above budget. This increase in revenue is due to an increase in potable and non-potable water sales within the District and non-potable water sales to Pleasant Valley County Water District (PVCWD) above budgeted sales projections. Total projected water sales served within the District of approximately 13,318 AF which is slightly above the budgeted sales of 13,217 AF.

### FY2022-23

Water Sales The District treats water as a commodity, generating revenue by measuring consumption at the customer's meter. Water sales represent 69% of the Total Revenue. Water sales are greatly dependent on weather patterns.

The District generally uses a conservative three-year average projection for water sales volume, however in FY2022-23 due to the drought and mandatory conservation the budget is projecting a 20% reduction of the three-year average for residential potable sales resulting in a budgeted amount of 12,257 AF, of which 6,171 AF is potable and 6,087 AF non-potable/recycled water served within the District. Water sales include the adopted potable and non-potable commodity and meter rates effective July 1, 2022. FY2022-23 water sales revenues are projected to be \$16,071,000 within the District's service area. The District's Schedule of Water and Wastewater Rates is located in Appendix #3.

Non-potable water sold to Pleasant Valley County Water District (PVCWD) is captured in separate expense and revenue line items in the District's budget. The FY2022-23 budget projection for PVCWD water sales in the amount of \$1,261,500 of which 4,100 AF of Conejo Creek water, using a three year average of deliveries, and 800 AF of CamSan recycled water.

Meter Service Charges are monthly customer fees based on the size of the meter installed. Meter Service Charges account for 10% of Total Revenue and are projected based on an anticipated 0% growth in our customer base for FY2022-23. FY2022-23 meter service charge revenue is expected to be \$2,591,900, based upon the average number of service connections and the meter service fee rates effective July 1, 2022. The District's Schedule of Water and Wastewater Rates is located in Appendix #3.

Sewer Service Charge revenues for the FY2022-23 budget year are expected to be \$4,441,500 or 17% of Total Revenue. Sewer Service Charges are billed to all customers as a flat monthly rate, currently \$40.62 (effective July 1, 2022). The estimated revenue for Sewer Service Charges is based upon the District's number of customers at the current flat monthly rate.

Interest revenue is budgeted at \$68,000 or 0.27% of the Total Revenue. Interest income is earned on the cash balance held in either in Local Agency Investment Fund (LAIF) or held in reserves with the District's Fiscal Trustee. The budget uses a 0.25% rate of return in projected balances.

**Tax** revenue is budgeted at \$734,527 for FY2022-23, or 3% of the Total Revenue. Tax revenue is based upon an average of five years of historical receipts. The District receives property tax revenues collected by the County of Ventura via the Property Tax Roll and are remitted to the District semi-annually.

Spending limits for the District are governed by the 1979 passage of California Proposition 4, Limitations of Government Appropriations (Article XIII B of the California Constitution, commonly known as the GANN limit). Proposition 4 places an appropriations limit on most spending from tax proceeds. The District's FY2022-23 Gann Limit is \$965,489.

**Capital Connection Fees** are not being projected as part of the FY2022-23 budget. The District is near build-out, and while a few small developments may begin construction within the five-year financial forecast, their timing is uncertain and their capital contribution would be negligible.

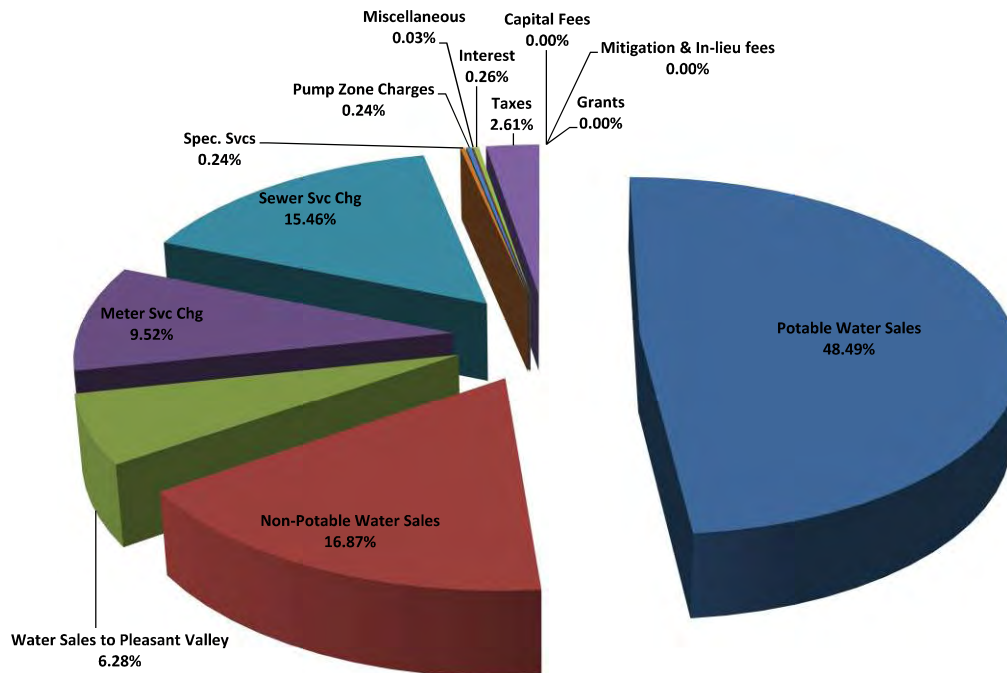
**Special Services** are various fees for turn-off/turn-on, late fees, and other miscellaneous administrative fees. Special Services revenues are budgeted at \$72,000. Revenue from Special Services is based upon our projected revenues for FY2021-22.

**Pump Zone/Miscellaneous** revenue applies to certain areas in the District that are situated at higher elevations and therefore require additional pumping. Revenues are estimated to be \$52,000 for FY2022-23 based on projected deliveries.

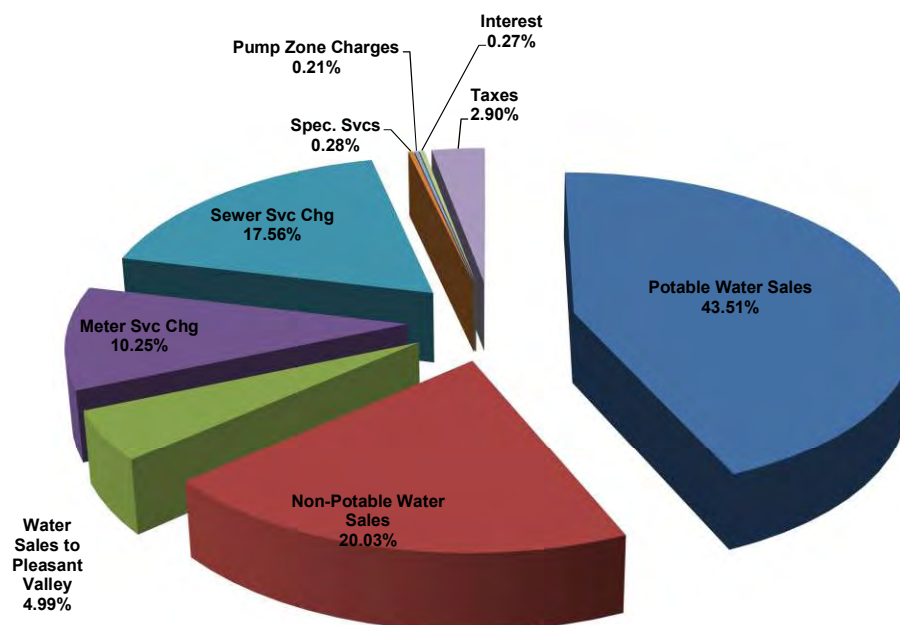
**Total Revenues** are expected to reach \$25,292,427 in June 2023. Total revenues are projected to be \$87,568 lower than FY2021-22 budget, which is a result in a decrease in the annual water deliveries.

## Comparison of Total Revenues

**FY2021-2022 Projected Operating & Non-Operating Revenues - \$26,247,426**



**FY2022-23 Budgeted Operating & Non-Operating Revenues \$25,292,427**



**Figure 12 – Comparison of Total Revenues**

## Expense Centers

The Water Operations is separated between the potable and non-potable water programs, as distinct and self-supporting enterprises.

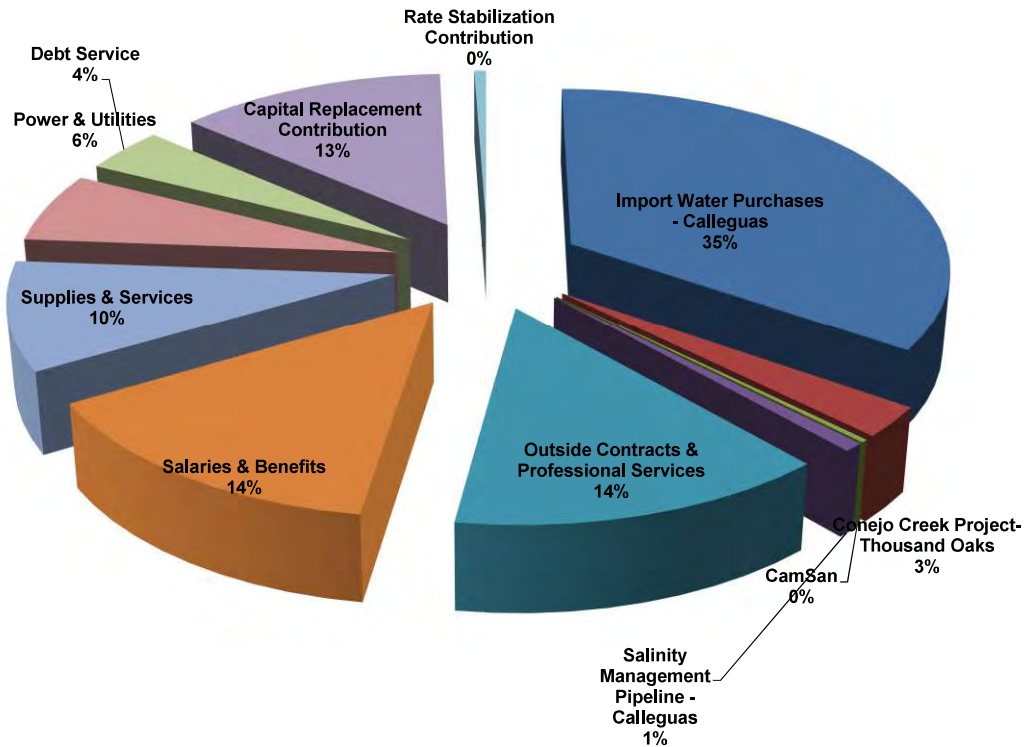
Salaries & Benefits and indirect support services are allocated to Water Operations (65%) and Wastewater Operations (35%), with the exception of the Water Quality Program, which is distributed 50:50 between the two programs. Non-operating revenues are allocated to the enterprise that generates the revenues with the exception of taxes, which are allocated 100% to Water Operations. Tax revenue distribution follows a cost-of-service methodology; all District customers receive water, and the tax rate is the same across the District, regardless of whether customers receive wastewater service from Camrosa or not.

Within the Water Operations, Salaries & Benefits are distributed 65% to the Potable Program and 35% to the Non-Potable Program. This allocation is based on what percentage of time staff spends on either system. An informal survey was conducted to determine the percentage allocation. All other indirect support services are distributed 52% to Potable and 48% to Non-Potable.

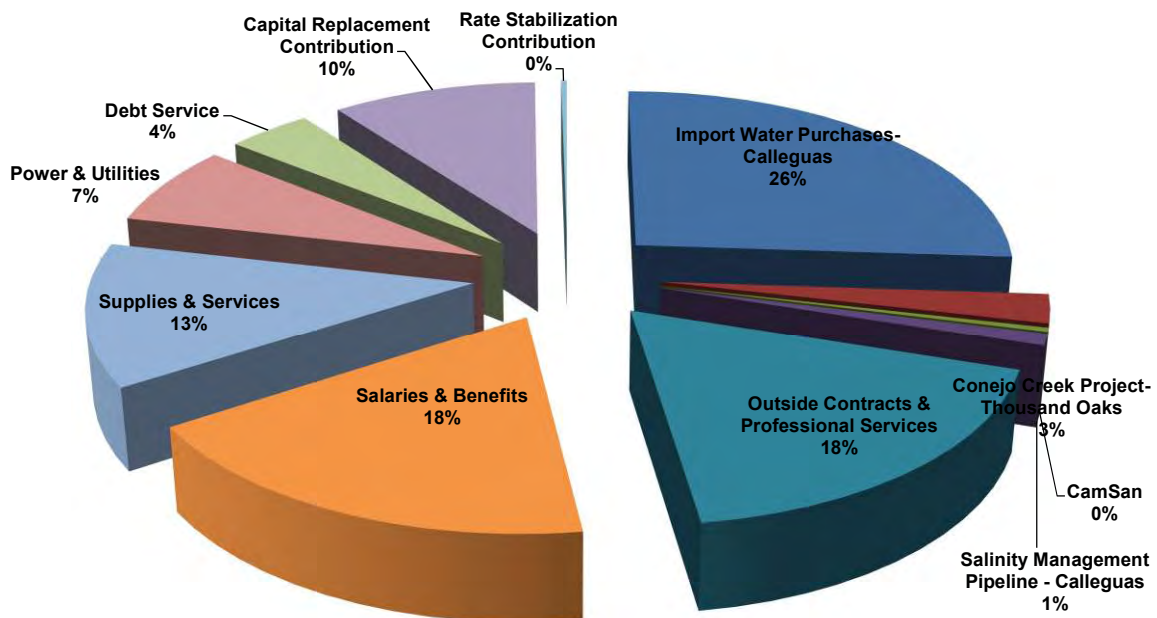
Debt Service costs are allocated to Water and Wastewater Operations based on the level of debt originally incurred in each enterprise.

## Comparison of Total Expenses

**FY2021-22 Projected Operating & Non-Operating Expenses - \$26,232,794**



**FY2022-23 Budgeted Operating & Non-Operating Expenses - \$25,272,694**



**Figure 13 – Comparison of Total Expenses**

## Expense Summary By Program

The following pages summarize the District's individual Expense Programs; a detailed accounting is provided in Appendix #2. The Potable (Program 52) and Non-Potable (Program 53) programs both fall under the Water Operations; Wastewater Operations stands alone (Program 57). All other programs indirectly support both the Water and Wastewater Operations. The District's Salaries & Benefits are budgeted in Human Resources (Program 5) and allocated as described in Expense Centers, previously.



## Human Resources – Program 05

The objective of Human Resources program is twofold: to capture all human resource costs in a single program in order to compare total costs of this resource by fiscal year; and to capture all costs for later allocation to the three cost centers to simplify the accounting necessary to track labor costs. Included in this program are all Salaries and Benefits for both full-time and part-time personnel, temporary contract labor, and miscellaneous personnel support costs such as uniforms, certification fees, training, and travel. These costs are allocated as overhead to the three cost centers.

### Accomplishments for 2021-2022

- District employees continued advancement in water, wastewater and laboratory certifications
- District staff participation in tuition reimbursement program
- Successfully recruited two Field Service Technicians and two Systems Operators
- Contracted inspection services in wake of internal inspector retirement and project management to support two construction projects
- Provided monthly safety training to all staff
- Continued Part-Time Student Employee Program

### Goals for 2022-2023

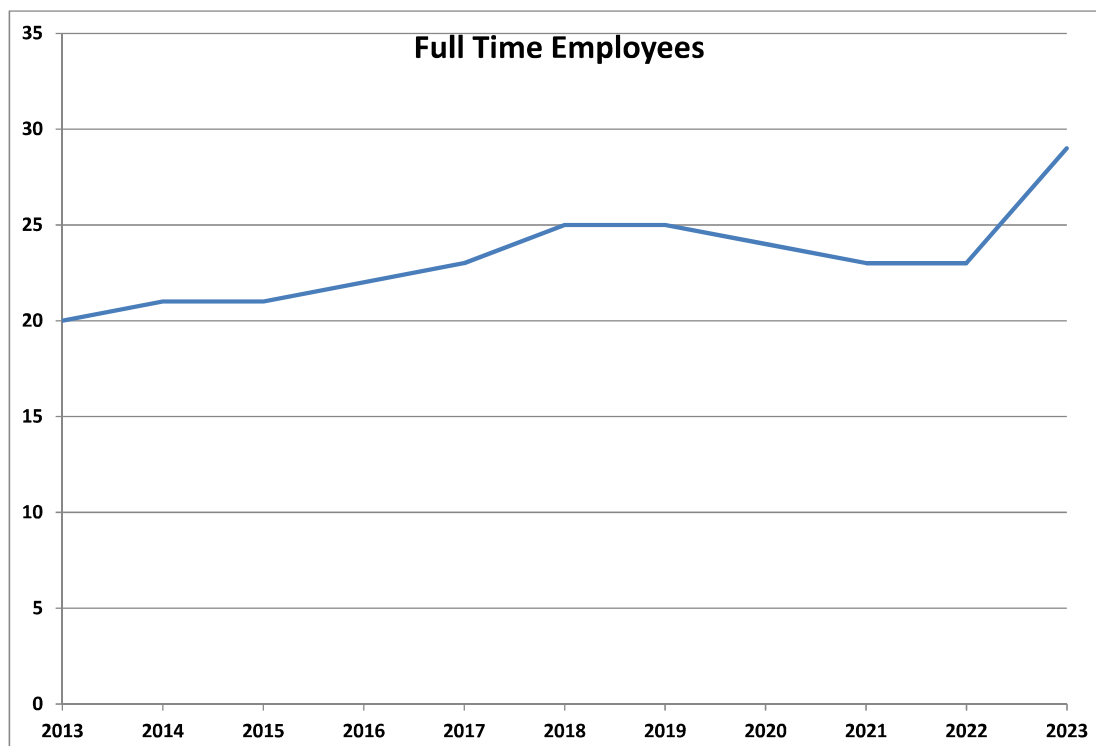
- Zero Lost-Time Accidents
- Enhance staff training and certification
- Continue succession planning
- Increase staffing to meet the needs of the District and support succession planning.

## Human Resources – Program 05

Human Resources Program 05		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Salaries &amp; Benefits</b>									
Regular Salaries	50100	\$ 2,494,625	\$ 2,598,783	\$ 2,521,803	\$ 2,681,273	\$ 2,628,697	\$ 3,185,611	\$ 504,338	18.81%
Overtime	50110	59,637	62,930	44,244	70,712	75,128	77,766	7,054	9.98%
Part Time	50120	32,976	25,335	25,155	70,720	21,852	53,040	(17,680)	-25.00%
Standby	50130	24,500	25,847	25,630	29,602	28,292	28,338	(1,264)	-4.27%
Benefits	50140	1,265,854	1,595,362	957,075	1,011,956	968,260	1,198,254	186,298	18.41%
<b>Total Salaries &amp; Benefits</b>		<b>\$ 3,877,592</b>	<b>\$ 4,308,257</b>	<b>\$ 3,573,907</b>	<b>\$ 3,864,263</b>	<b>\$ 3,722,229</b>	<b>\$ 4,543,009</b>	<b>\$ 678,746</b>	<b>17.56%</b>
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 14,843	\$ 12,901	\$ 13,799	\$ 18,600	\$ 13,683	\$ 18,600	\$ -	0.00%
Professional Services	50230	-	-	-	10,000	-	10,000	-	-
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 14,843</b>	<b>\$ 12,901</b>	<b>\$ 13,799</b>	<b>\$ 28,600</b>	<b>\$ 13,683</b>	<b>\$ 28,600</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Services &amp; Supplies</b>									
Materials & Supplies	50260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Dues & Subscriptions	50290	6,221	4,737	6,310	7,000	7,000	7,000	0	0.00%
Conference & Travel	50300	13,374	10,102	2,596	9,200	5,000	6,500	(2,700)	-29.35%
Safety & Training	50310	37,036	22,795	18,182	52,300	25,716	49,300	(3,000)	-5.74%
Fees & Charges	50350	-	846	162	300	207	300	-	0.00%
<b>Total Services &amp; Supplies</b>		<b>\$ 56,631</b>	<b>\$ 38,480</b>	<b>\$ 27,250</b>	<b>\$ 68,800</b>	<b>\$ 37,923</b>	<b>\$ 63,100</b>	<b>\$ (5,700)</b>	<b>-8.28%</b>
<b>Total Operating Expenditures</b>		<b>\$ 3,949,066</b>	<b>\$ 4,359,638</b>	<b>\$ 3,614,956</b>	<b>\$ 3,961,663</b>	<b>\$ 3,773,835</b>	<b>\$ 4,634,709</b>	<b>\$ 673,046</b>	<b>16.99%</b>
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Expenses</b>		<b>\$ 3,949,066</b>	<b>\$ 4,359,638</b>	<b>\$ 3,614,956</b>	<b>\$ 3,961,663</b>	<b>\$ 3,773,835</b>	<b>\$ 4,634,709</b>	<b>\$ 673,046</b>	<b>16.99%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget

The District's staffing needs have transitioned over time due to the addition of local supply facilities in pursuit of self-reliance, increasing technical sophistication, and ever-expanding regulatory demands. The table below shows the historic numbers of employees at year end through FY2021-22 and the number of employees budgeted for FY2022-23. The District will end the fiscal year with 23 employees, with two vacancies and increasing the staffing to 29 employees for the coming fiscal year. The 2019 rate study incorporated the need of 29 employees by the end of the fifth year of the study.



## **General Administration – Program 10**

The General Administration program provides funds for expenses related to the general management of the District, including insurance costs, annual fees and charges, and other general expenses of the District. The program also contains funds for all Director-related expenses, including meeting fees, membership dues, conference and travel, and legal services. These costs are allocated as overhead to the three cost centers.

### **Accomplishments for 2021-2022**

- Initiated the Arroyo Santa Rosa Groundwater Sustainability Plan
- Began construction on the Conejo Wellfield GAC treatment plant
- Continued construction of PV Well #2
- Updated Pension Funding Policy
- Received the CSMFO Operational Budgeting Excellence Award for the seventh consecutive year
- Received Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for the sixth consecutive year
- Contributed to AWAVC, CCWUC, CSUCI presentations
- Developed grant program with consultant
- Initiated the District's Strategic Plan
- Completed an Emergency Response Plan in accordance with America's Infrastructure Act of 2018

### **Goals for 2022-2023**

- Plan for increasing self-reliance by reducing dependence on imported water
- Increase groundwater production to improve our import-to-local blend ratio
- Look for new water opportunities
- Complete the District's Strategic Plan
- Begin a Facilities Master Plan
- Complete construction of the water treatment facility at the Conejo Wellfield
- Complete construction of the PV Well #2 site
- Support completion of Groundwater Sustainability Plan for Arroyo Santa Rosa Basin
- Pursue grant funding where available and appropriate
- Continue Public Outreach Program

## General Administration – Program 10

General Administration Program 10		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 11,274	\$ 36,005	\$ 5,566	\$ 9,200	\$ 4,000	\$ 19,200	\$ 10,000	108.70%
Professional Services	50230	37,075	131,990	129,796	510,405	250,000	661,090	150,685	29.52%
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 48,349</b>	<b>\$ 167,995</b>	<b>\$ 135,362</b>	<b>\$ 519,605</b>	<b>\$ 254,000</b>	<b>\$ 680,290</b>	<b>\$ 160,685</b>	<b>30.92%</b>
<b>Services &amp; Supplies</b>									
Small Tools & Equipment	50250	\$ -	\$ 2,657	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.00%
Materials & Supplies	50260	31,356	26,698	15,697	24,350	14,000	23,550	(800)	-3.29%
Legal Services	50280	74,397	32,878	25,937	45,000	64,500	45,000	-	0.00%
Dues & Subscriptions	50290	36,450	40,036	35,913	42,750	42,750	43,750	1,000	2.34%
Conference & Travel	50300	18,378	16,030	899	7,300	7,300	8,800	1,500	20.55%
Safety & Training	50310	-	60	-	-	0	-	-	-
Board Expense	50330	114,302	115,809	125,403	120,000	127,500	133,000	13,000	10.83%
Bad Debt	50340	19,598	4,420	41,346	7,500	10,000	10,000	2,500	33.33%
Fees & Charges	50350	50,792	48,080	49,434	60,850	60,850	61,350	500	0.82%
Insurance	50360	86,136	85,278	87,097	110,000	95,000	118,000	8,000	7.27%
<b>Total Services &amp; Supplies</b>		<b>\$ 431,409</b>	<b>\$ 371,946</b>	<b>\$ 381,726</b>	<b>\$ 419,750</b>	<b>\$ 423,900</b>	<b>\$ 445,450</b>	<b>\$ 25,700</b>	<b>6.12%</b>
<b>Total Operating Expenses</b>		<b>\$ 479,758</b>	<b>\$ 539,941</b>	<b>\$ 517,088</b>	<b>\$ 939,355</b>	<b>\$ 677,900</b>	<b>\$ 1,125,740</b>	<b>\$ 186,385</b>	<b>-100.00%</b>
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Expenses</b>		<b>\$ 479,758</b>	<b>\$ 539,941</b>	<b>\$ 517,088</b>	<b>\$ 939,355</b>	<b>\$ 677,900</b>	<b>\$ 1,125,740</b>	<b>\$ 186,385</b>	<b>19.84%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



Emergency Fuel Tank

## Information Services – Program 11

The purpose of the Information Services program is to manage and improve communication. This involves communication with our customers, other agencies, and internally among Staff. The program tracks the cost of developing, maintaining, and delivering the information necessary to manage the District effectively. The program includes costs for developing and maintaining the computer network and its accessibility. This includes secure access to information databases such as web, email, billing, financial, AMR, GIS, SCADA, and Intranet and Internet Services across the local and wide area networks of the District. The costs for all voice and satellite communications, as well as secure access of all support subscriptions to hosted and onsite data services, are included in this program. Costs are allocated as overhead to the three cost centers.

### Accomplishments for 2021-2022

- Awarded a contract to AllConnected for IT/OT/cybersecurity support
- Provided network/communications for work-at-home environment during pandemic
- Upgraded Office365 G1 Subscription to Enhanced G3 Subscription
- Upgraded CWDVSQL to Windows server 2016 virtual machine
- Migrated Camnet Intranet to Sharepoint architecture
- Installed secondary backup servers
- Migrated server platforms from Server 2016 to Server 2019
- Conducted network security audit and implement NIST Cybersecurity standards
- Updated Windows 2019
- Implemented guest wifi network for advanced security; improved wifi at RMWTP
- Installed four cellular boosters: at main office, O&M building, CWRF, and RMWTP

### Goals for 2022-2023

- Fully integrate AllConnected
- Develop network and cybersecurity policies
- Complete implementation of Tier 2 Historian to enhance security, segment users out of SCADA network
- Complete new communications site at Reservoir 1B
- Implement multifactor authentication on domain logins
- Migrate from Ankura/CarbonBlack endpoint detection and response to AllConnected
- Hire appropriate-level IT professional
- Implement AMR AclaraOne + MTU upgrade Zone 2
- Migrate Tyler Incode 10 to the cloud
- Add three new microwave links on the west communications backbone
- Client workstation refresh (up to four workstations as needed)
- Investigate moving to Windows 11 for client workstations



## Information Services – Program 11

Information Services Program 11		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 120,409	\$ 127,214	\$ 229,579	\$ 275,668	\$ 325,000	\$ 606,950	\$ 331,282	54.58%
	50230	-	65	47,000	-	-	-	-	-
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 120,409</b>	<b>\$ 127,279</b>	<b>\$ 276,579</b>	<b>\$ 275,668</b>	<b>\$ 325,000</b>	<b>\$ 606,950</b>	<b>\$ 331,282</b>	<b>54.58%</b>
<b>Services &amp; Supplies</b>									
Communications	50210	\$ 57,353	\$ 74,806	\$ 64,504	\$ 66,800	\$ 65,000	\$ 75,500	\$ 8,700	11.52%
Materials & Supplies	50260	127	86	129	-	-	-	-	-
Repair Parts & Equipment Maintenance	50270	17,401	17,910	28,040	35,000	20,000	35,000	-	0.00%
Dues & Subscriptions	50290	240	-	-	500	-	500	-	0.00%
<b>Total Services &amp; Supplies</b>		<b>\$ 75,121</b>	<b>\$ 92,802</b>	<b>\$ 92,673</b>	<b>\$ 102,300</b>	<b>\$ 85,000</b>	<b>\$ 111,000</b>	<b>\$ 8,700</b>	<b>7.84%</b>
<b>Total Operating Expenses</b>		<b>\$ 195,530</b>	<b>\$ 220,081</b>	<b>\$ 369,252</b>	<b>\$ 377,968</b>	<b>\$ 410,000</b>	<b>\$ 717,950</b>	<b>\$ 339,982</b>	<b>89.95%</b>
Fixed Assets	50600	\$ 110,930	\$ 48,432	\$ 6,354	\$ 53,500	\$ 42,277	\$ -	\$ (53,500)	-100.00%
<b>Total Expenses</b>		<b>\$ 306,460</b>	<b>\$ 268,513</b>	<b>\$ 375,606</b>	<b>\$ 431,468</b>	<b>\$ 452,277</b>	<b>\$ 717,950</b>	<b>\$ 286,482</b>	<b>66.40%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



## **Resource Planning & Engineering Services – Program 12**

The Resource Planning program plans and develops water resources and wastewater treatment capacity to serve Camrosa's current and future customers. This involves researching and analyzing alternatives, developing and implementing programs, planning and managing capital projects, and facilitating institutional relations to increase and manage available water. The program also manages Camrosa's environmental review process and related permitting.

Engineering Services manages capital projects and assists in the evaluation, planning, and execution of projects to improve the efficiency of the water and wastewater systems. The program provides development oversight by calculating fees and charges, checking plans for compliance with District standards, inspecting developments and District projects, managing maps and records of completed projects, and providing underground facilities locations for new construction or repairs by other utilities. These costs are allocated as overhead to the three cost centers.

### **Accomplishments for 2021-2022**

- Completed construction of Pump Station Zone 2 to Zone 3
- Began construction of Pleasant Valley Well No. 2
- Began construction of Conejo Wellfield GAC treatment plant
- Completed design of CWRF's dewatering press
- Began construction of Reservoir 1B emergency generator/communication facility
- Completed construction of CRWF emergency generator diesel fuel tank replacement
- Began rehabilitation and pump replacement at Tierra Rejada Well
- Completed rehabilitation technical memo regarding entrained air at Penny Well
- Initiated design for replacement of a portion of 12" waterline under Conejo Creek
- Initiated design for replacement of Reservoir 4C and 4C Hydropneumatic Pump Station

### **Goals for 2022-2023**

- Complete construction of Reservoir 1B emergency generator/communication facility
- Begin construction of CWRF's dewatering press
- Complete new communications site at Reservoir 1B
- Complete construction and installation of Pump Station No. 2 emergency generator
- Complete rehabilitation and pump replacement at Tierra Rejada Well
- Complete design and construct preferred solution for Penny Well air entrainment issue
- Complete construction of waterline replacement under Conejo Creek at CamSprings
- Complete construction of GAC treatment at Conejo Wellfield
- Complete construction of PV Well No. 2
- Complete a well siting study for a new supply well for the RMWTP
- Complete sewer hotspot remediation engineering study
- Complete design and begin construction of Ag3 Water Tank & site improvements
- Complete construction of CWRF's chemical feed system upgrades
- Complete CRWF's effluent pond(s) rehabilitation & improvements
- Begin engineering design of PV Well #3



## Resource Planning & Engineering Services – Program 12

Resource Planning & Engineering Services Program 12		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 1,582	\$ 1,630	\$ 3,339	\$ 216,000	\$ 216,000	\$ 256,000	\$ 40,000	18.52%
Professional Services	50230	43,567	13,693	14,359	20,000	15,000	75,000	55,000	275.00%
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 45,149</b>	<b>\$ 15,323</b>	<b>\$ 17,698</b>	<b>\$ 236,000</b>	<b>\$ 231,000</b>	<b>\$ 331,000</b>	<b>\$ 95,000</b>	<b>28.70%</b>
<b>Services &amp; Supplies</b>									
Small Tools & Equipment	50250	\$ 149	\$ 19	\$ -	\$ 850	\$ 850	\$ 850	\$ -	0.00%
Materials & Supplies	50260	1,797	639	191	1,250	1,250	3,750	2,500	200.00%
Fees & Charges	50350	-	-	-	-	-	-	-	0.00%
<b>Total Services &amp; Supplies</b>		<b>\$ 1,946</b>	<b>\$ 658</b>	<b>\$ 191</b>	<b>\$ 2,100</b>	<b>\$ 2,100</b>	<b>\$ 4,600</b>	<b>\$ 2,500</b>	<b>119.05%</b>
<b>Total Operating Expenses</b>		<b>\$ 47,095</b>	<b>\$ 15,981</b>	<b>\$ 17,889</b>	<b>\$ 238,100</b>	<b>\$ 233,100</b>	<b>\$ 335,600</b>	<b>\$ 97,500</b>	<b>40.95%</b>
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
<b>Total Expenses</b>		<b>\$ 47,095</b>	<b>\$ 15,981</b>	<b>\$ 17,889</b>	<b>\$ 238,100</b>	<b>\$ 233,100</b>	<b>\$ 335,600</b>	<b>\$ 97,500</b>	<b>40.95%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



*CWRF Chemical Tank and Feeder System upgrades*

## Water Resource Management – Program 22

The primary function of the Water Resource Management (WRM) program is to protect the District's existing sources of supply and develop new ones. Proliferating State mandates exert pressure on the District's ability to meet customer demand, and much WRM activity is directed at working with state agencies and other water suppliers to implement these regulations in ways that don't compromise our existing sources, stifle innovation, or upset cost/benefit analyses.

WRM cultivates relationships with state and federal legislators and state agency leadership and staff; participates in statewide working groups; and engages in legislative analysis and advocacy. WRM also spearheads Camrosa's public outreach—facility tours, the Web site, social media, public meetings, educational materials—to educate and engage Camrosa customers. These costs are allocated as overhead to the three cost centers.

### Accomplishments for 2021-2022

- Managed Arroyo Santa Rosa Groundwater Sustainability Plan; coordinated GSA
- Managed Conejo Wellfield GAC treatment plant construction project
- Began Strategic/Management Planning process
- Managed Fox Canyon GMA reporting for GSP and Conejo Creek Pumping Project
- Incorporated results of systemwide leak detection survey into water loss control program
- Participated in Fox Canyon Groundwater Management Agency Oxnard/Pleasant Valley Basin GSP Stakeholder Group and subgroups and Project Subcommittee
- Led/participated in advocacy efforts to influence State policy and regulatory proposals for conservation legislation, Human Right to Water programs, and water quality issues: includes participation in workgroups with State Water Board, Dept. of Water Resources, Metropolitan Water District, ACWA, AWWA, CMUA, and ad hoc regional groups
- Submitted Emergency Response Plan required by America Water Infrastructure Act
- Developed grant program with consultant
- Participated in Calleguas Creek Watershed Salts and Nutrient Management Plan
- Public outreach included presentations to Leisure Village, AWA, CCWUC, and CSUCI

### Goals for 2022-2023

- Develop Water Loss Control Program and hire a Water Loss Control Coordinator
- Complete the 2022 Strategic Plan and initiate a Facilities Master Plan
- Manage the Arroyo Santa Rosa GSP
- Complete the Conejo Wellfield GAC Treatment Plant construction project
- Engage with SWRCB/DWR on implementation of new legislation
- Maintain and strengthen Camrosa's position as key collaborator on State water policy development with other water agencies and organizations such as ACWA and CMUA
- Participate in the development of regional water supply projects
- Continue public outreach program

## Water Resource Management – Program 22

Water Resource Management Program 22		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 27,141	\$ 7,173	\$ 2,584	\$ 18,100	\$ 8,180	\$ 15,000	\$ (3,100)	-17.13%
Professional Services	50230	-	-	-	-	-	-	-	-
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 27,141</b>	<b>\$ 7,173</b>	<b>\$ 2,584</b>	<b>\$ 18,100</b>	<b>\$ 8,180</b>	<b>\$ 15,000</b>	<b>\$ (3,100)</b>	<b>-17.13%</b>
<b>Services &amp; Supplies</b>									
Materials & Supplies	50260	\$ 4,366	\$ 3,131	\$ 529	\$ 3,000	\$ 1,959	\$ 3,000	\$ -	0.00%
Dues & Subscriptions	50290	-	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>		<b>\$ 4,366</b>	<b>\$ 3,131</b>	<b>\$ 529</b>	<b>\$ 3,000</b>	<b>\$ 1,959</b>	<b>\$ 3,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Operating Expenses</b>		<b>\$ 31,507</b>	<b>\$ 10,304</b>	<b>\$ 3,113</b>	<b>\$ 21,100</b>	<b>\$ 10,139</b>	<b>\$ 18,000</b>	<b>\$ (3,100)</b>	<b>-14.69%</b>
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Expenses</b>		<b>\$ 31,507</b>	<b>\$ 10,304</b>	<b>\$ 3,113</b>	<b>\$ 21,100</b>	<b>\$ 10,139</b>	<b>\$ 18,000</b>	<b>\$ (3,100)</b>	<b>-14.69%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



*Round Mountain Water Treatment Plant Desalter*

## Customer Services – Program 24

The Customer Services program is responsible for timely and effective response to customer requests for service. This program provides frontline interface in the field and all direct office services to Camrosa customers. This includes producing monthly water and sewer bills, collecting revenues from monthly billings and water and sewer capital improvement fees, land development processes, and dispatching technicians to satisfy customer requests for service and resolve customer service concerns. Included in this program is data collection, responsibility for new meter sets, meter change-outs, and oversight of the outside contractor responsible for timely and accurate reading of all meters. These costs are allocated as overhead to the three cost centers.

### Accomplishments for 2021-2022

- Replaced aging meters and optimized automated meter reading technology
- Increased customer enrollment in autopay/reoccurring payment options to almost 40%
- Increased the number of customers opting to go paperless to 14%
- Completed lobby redesign/security enhancements
- Reintegrated water use comparator on customer bills to promote customer water use understanding and efficiency

### Goals for 2022-2023

- Complete the expansion of the AMR (automated meter reading) system
- Begin upgrade of utility billing system
- Continue upgrading single-input MTUs (meter transmission units) to dual-frequency MTUs for more frequent readings and to improve performance with real-time consumption software
- Continue replacing aged meters to ensure accurate accounting of water sales
- Support strategies to improve water loss control
- Continue to increase the number of customers opting to go paperless
- Continuous improvement of customer service and best business practices
- Pursue grants to fund customer service education/engagement projects



## Customer Services – Program 24

Customer Services Program 24		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 111,224	\$ 100,287	\$ 74,028	\$ 78,000	\$ 78,000	\$ 76,000	\$ (2,000)	-2.56%
Professional Services	50230	-	-	-	-	-	-	-	-
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 111,224</b>	<b>\$ 100,287</b>	<b>\$ 74,028</b>	<b>\$ 78,000</b>	<b>\$ 78,000</b>	<b>\$ 76,000</b>	<b>\$ (2,000)</b>	<b>-2.56%</b>
<b>Services &amp; Supplies</b>									
Materials & Supplies	50260	\$ -	\$ 1,465	\$ 638	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.00%
Repair Parts & Equipment Maintenance	50270	-	-	-	-	-	-	-	-
<b>Total Services &amp; Supplies</b>		<b>\$ -</b>	<b>\$ 1,465</b>	<b>\$ 638</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Total Operating Expenses</b>		<b>\$ 111,224</b>	<b>\$ 101,752</b>	<b>\$ 74,666</b>	<b>\$ 79,000</b>	<b>\$ 79,000</b>	<b>\$ 77,000</b>	<b>\$ (2,000)</b>	<b>-2.53%</b>
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Expenses</b>		<b>\$ 111,224</b>	<b>\$ 101,752</b>	<b>\$ 74,666</b>	<b>\$ 79,000</b>	<b>\$ 79,000</b>	<b>\$ 77,000</b>	<b>\$ (2,000)</b>	<b>-2.53%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



*Customer Services*

## Water Quality – Program 25

The Water Quality program ensures Camrosa meets and exceeds all state and federal water quality standards. We do this by operating two State-accredited environmental laboratories that monitor the District's drinking water wells, distribution system, sewer collection system, and treatment plant so the District can maintain optimal operation and quickly respond to water quality issues. The lab maintains the District's industrial waste program and applies for, negotiates, and manages primary operational permits. In an ever-expanding regulatory environment, Water Quality supports regulatory compliance with TMDLs, participates in legislative/regulatory advocacy, and contributes to internal and interagency studies in pursuit of new supplies and improved operations. Water Quality staff consult internally on project research, planning, and implementation. The costs for this program are allocated as overhead to the three cost centers.

### Accomplishments for 2021-2022

- Zero violations: 100% compliance with all regulations and permits
- Completed sequential chlorination study at CWRF per wastewater permit
- Began construction of permanent ammonia injection facility for sequential chlorination
- Completed PFAS study at CWRF to satisfy new regulatory requirements
- Evaluated alternative technologies for well degassing at Penny Well
- Supported operational changes at PV Well #2/Woodcreek Well and Pump Station 2 to 3 that maximized local production and impacted water aesthetics
- Assisted RMWTP staff with diagnosing calcium carbonate precipitation issue
- Incorporated TNI-compliant Laboratory Quality Manual and SOPs into lab processes
- Participated in virtual outreach tours for CSUCI classes and led in-person tours
- Coordinated Calleguas Creek Watershed TMDL Salts Subcommittee to implement a “regulatory multibenefit” approach to compliance
- Completed “Initial Demonstration of Proficiency” protocol for metals analysis
- Installed laboratory facilities upgrades at main lab and RMWTP

### Goals for 2022-2023

- Zero violations: 100% compliance with all regulations and permits
- Implement a laboratory information management system (LIMS)
- Continue preparing labs for new TNI regulations (multi-year project)
- Assist in startup and operation of Conejo Wellfield GAC treatment plant
- Continue project support: Conejo Wellfield treatment; Penny Well air entrapment; PV Well #2, Tierra Rejada Well, Arroyo Santa Rosa Groundwater Sustainability Plan
- Recruit a full-time laboratory analyst
- Complete construction of ammonia injection system at CWRF
- Advocate on behalf of Camrosa regarding water quality regulations
- Continue participating in Calleguas Creek Watershed Management group, including the TMDL implementation group and the Salts subcommittee



## Water Quality – Program 25

Water Quality Program 25	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Contracts &amp; Professional Services</b>								
Outside Contracts	50220 \$ 46,021	\$ 76,978	\$ 57,657	\$ 68,000	\$ 40,000	\$ 72,500	\$ 4,500	6.62%
Professional Services	50230 -	-	-	30,000	25,000	30,000	-	-
<b>Total Contracts &amp; Professional Services</b>	<b>\$ 46,021</b>	<b>\$ 76,978</b>	<b>\$ 57,657</b>	<b>\$ 98,000</b>	<b>\$ 65,000</b>	<b>\$ 102,500</b>	<b>\$ 4,500</b>	<b>4.59%</b>
<b>Services &amp; Supplies</b>								
Small Tools & Equipment	50250 \$ 31	\$ 2,373	\$ 600	\$ 1,500	\$ 1,500	\$ 3,000	\$ 1,500	100.00%
Materials & Supplies	50260 35,580	20,693	37,397	34,650	34,650	38,115	3,465	0.00%
Repair Parts & Equipment Maintenance	50270 899	1,924	3,830	9,000	6,700	10,000	1,000	0.00%
Fees & Charges	50350 13,329	5,331	14,258	26,000	24,000	30,000	4,000	0.00%
<b>Total Services &amp; Supplies</b>	<b>\$ 49,839</b>	<b>\$ 30,321</b>	<b>\$ 56,085</b>	<b>\$ 71,150</b>	<b>\$ 66,850</b>	<b>\$ 81,115</b>	<b>\$ 9,965</b>	<b>14.01%</b>
<b>Total Operating Expenses</b>	<b>\$ 95,860</b>	<b>\$ 107,299</b>	<b>\$ 113,742</b>	<b>\$ 169,150</b>	<b>\$ 131,850</b>	<b>\$ 183,615</b>	<b>\$ 14,465</b>	<b>8.55%</b>
Fixed Assets	50600 \$ 16,831	\$ 5,725	\$ 4,033	24,000	24,129	-	\$ (24,000)	-100.00%
<b>Total Expenses</b>	<b>\$ 112,691</b>	<b>\$ 113,024</b>	<b>\$ 117,775</b>	<b>\$ 193,150</b>	<b>\$ 155,979</b>	<b>\$ 183,615</b>	<b>\$ (9,535)</b>	<b>-4.94%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



RMWTP Laboratory

## **Buildings/Grounds & Rolling Stock – Program 26**

The Buildings/Grounds & Rolling Stock program accounts for maintenance of all District buildings, 65 acres of District property, approximately two miles of District roads, and maintenance of the District's fleet and specialized facilities service equipment. This includes janitorial service, grounds maintenance, landscaping, fencing, weed control, and vehicle leasing and maintenance. These services reflect the District's objective of keeping all grounds secured for public safety, appealing to the eye, and optimally maintained. In addition, this program provides resources for a range of reliable vehicles and equipment, minimizing our reliance on outside contractors. Camrosa has 18 motor vehicles, four tractors, two forklifts, a trailer-mounted non-potable water pump, and multiple trailers in its fleet. These costs are allocated to the three cost centers.

### **Accomplishments for 2021-2022**

- Installed new emergency generator fuel tank at CWRF
- Constructed Pump Station No. 2 emergency standby generator
- Site cleanup at University Well
- Began construction of Reservoir 1B standby generator and communication building
- Completed lobby redesign/security enhancements
- Rehabilitated sewer diversion site and fencing
- Expanded scope of contracted grounds maintenance
- Completed chloramination project at Tierra Rejada Well
- Completed radio tower at reservoir 4B
- Added mobile fuel trailers to fleet

### **Goals for 2022-2023**

- Began construction of Reservoir 1B standby generator and communication building
- Renew erosion control and improve drainage at main headquarters
- Renew leases on fleet as vehicles become available on market
- Replace confined-space air-quality monitoring system at CWRF headworks

## Buildings/Grounds & Rolling Stock – Program 26

Buildings/Grounds & Rolling Stock Program 26		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 236,553	\$ 260,359	\$ 240,408	\$ 306,000	\$ 280,000	\$ 330,000	\$ 24,000	7.84%
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 236,553</b>	<b>\$ 260,359</b>	<b>\$ 240,408</b>	<b>\$ 306,000</b>	<b>\$ 280,000</b>	<b>\$ 330,000</b>	<b>\$ 24,000</b>	<b>7.84%</b>
<b>Services &amp; Supplies</b>									
Utilities	50200	\$ 23,192	\$ 24,264	\$ 24,772	\$ 28,500	\$ 28,500	\$ 28,700	\$ 200	0.70%
Small Tools & Equipment	50250	17,396	677	193	2,000	2,000	2,000	-	0.00%
Materials & Supplies	50260	70,639	69,932	65,728	79,000	78,000	89,000	10,000	12.66%
Repair Parts & Equipment Maintenance	50270	42,176	45,578	46,305	55,500	55,000	55,500	-	0.00%
Fees & Charges	50350	2,518	3,344	2,311	3,100	0	3,100	-	0.00%
<b>Total Services &amp; Supplies</b>		<b>\$ 155,921</b>	<b>\$ 143,795</b>	<b>\$ 139,309</b>	<b>\$ 168,100</b>	<b>\$ 163,500</b>	<b>\$ 178,300</b>	<b>\$ 10,200</b>	<b>6.07%</b>
<b>Total Operating Expenses</b>		<b>\$ 392,474</b>	<b>\$ 404,154</b>	<b>\$ 379,717</b>	<b>\$ 474,100</b>	<b>\$ 443,500</b>	<b>\$ 508,300</b>	<b>\$ 34,200</b>	<b>7.21%</b>
Fixed Assets	50600	\$ 149,705	\$ 143,354	\$ 24,592	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)	-100.00%
<b>Total Expenses</b>		<b>\$ 542,179</b>	<b>\$ 547,508</b>	<b>\$ 404,309</b>	<b>\$ 504,100</b>	<b>\$ 473,500</b>	<b>\$ 508,300</b>	<b>\$ 4,200</b>	<b>0.83%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



*Emergency Fuel Trailers*

## **Potable Water Production & Distribution – Program 52**

The Potable Water Production & Distribution program produces and delivers clean, reliable potable water to the District's 8,200 service connections in a safe and cost-effective manner. The system includes more than 100 miles of transmission and distribution pipelines, a 1 MGD desalter facility, ten reservoirs, eight active wells, 11 Calleguas turnouts, seven booster stations, ten pressure-reducing stations, 1,300 valves, and 1,100 fire hydrants. These costs are allocated 100% to the potable water cost center. These costs are allocated 100% to the potable water cost center.

### **Accomplishments for 2021-2022**

- Maximized local water supplies: attained 100% local production for a week in December 2021
- Completed contracted distribution system leak detection survey and service geolocation
- Completed construction of Pump Station Zone 2 to Zone 3
- Began construction of Pleasant Valley Well No. 2
- Began construction of Conejo Wellfield GAC treatment plant, providing excavation and pipeline construction ahead of time to facilitate construction
- Began rehabilitation of Meter Stations 5 and 7
- Completed chloramination project at Tierra Rejada Well
- Repaired PV Well #2 and lowered pump, increasing production
- Continued optimizing RMWTP run time
- Continued distribution valve replacement program
- Began rehabilitation and pump replacement at Tierra Rejada Well
- Completed well rehabilitation and design for entrained air issue at Penny Well
- Initiated design for replacement of a portion of 12" waterline under Conejo Creek
- Completed annual potable production meter calibration
- Reduced water loss through leak repair

### **Goals for 2022-2023**

- Get Conejo Wellfield back online and maximize new treatment plant production
- Complete construction of Pleasant Valley Well No. 2
- Convert disinfection at Penny Well from free chlorine to monochloramines
- Add monochloramine monitoring devices at Pumps Station 2 to 3
- Reduce water loss through leak repair and implement other water loss control actions
- Complete distribution system flushing
- Complete rehabilitation of Meter Stations 5 and 7
- Complete rehabilitation and pump replacement at Tierra Rejada Well
- Complete replacement of meter station control cabinets
- Continue distribution valve replacement program
- Continue annual potable production meter calibration



## Potable Water Production & Distribution – Program 52

Potable Water Production & Distribution Program 52	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	**% Change over PY
<b>Production</b>								
Import Water Purchases-Calleguas	50010 \$ 5,756,914	\$ 7,349,836	\$ 8,803,462	\$ 7,215,372	\$ 7,605,339	\$ 4,841,579	\$ (2,373,793)	-32.90%
Calleguas Fixed Charges	50012 790,926	764,544	853,914	981,107	913,008	974,290	(6,817)	-0.69%
Salinity Management Pipeline-Calleguas	50011 84,407	120,048	150,165	241,198	184,417	234,193	(7,005)	-2.90%
Production Power	50020 422,847	420,625	553,575	561,513	670,000	840,781	279,268	49.73%
<b>Total Production</b>	<b>\$ 7,055,094</b>	<b>\$ 8,655,053</b>	<b>\$ 10,361,116</b>	<b>\$ 8,999,190</b>	<b>\$ 9,372,764</b>	<b>\$ 6,890,843</b>	<b>\$ (2,108,347)</b>	<b>-23.43%</b>
<b>Contracts &amp; Professional Services</b>								
Outside Contracts	50220 \$ 187,673	\$ 335,162	\$ 153,257	\$ 746,450	\$ 650,000	\$ 705,800	\$ (40,650)	-5.45%
Professional Services	50230 1,318	19,808	23,000	75,000	355,000	320,000	245,000	326.67%
<b>Total Contracts &amp; Professional Services</b>	<b>\$ 188,991</b>	<b>\$ 354,970</b>	<b>\$ 176,257</b>	<b>\$ 821,450</b>	<b>\$ 1,005,000</b>	<b>\$ 1,025,800</b>	<b>\$ 204,350</b>	<b>24.88%</b>
<b>Services &amp; Supplies</b>								
Utilities	50200 \$ 45,824	\$ 39,943	\$ 55,467	\$ 55,000	\$ 56,000	\$ 57,000	\$ 2,000	3.64%
Communications	50210 -	-	-	-	-	-	-	0.00%
Pipeline Repairs	50240 321,304	309,232	289,955	380,000	295,000	380,000	-	0.00%
Small Tools & Equipment	50250 6,447	12,882	12,255	20,000	20,000	20,000	-	0.00%
Materials & Supplies	50260 219,925	196,333	287,646	419,000	420,000	522,500	103,500	24.70%
Repair Parts & Equipment Maintenance	50270 384,959	314,647	340,472	470,000	400,000	472,500	2,500	0.53%
Legal Services	50280 -	-	-	-	-	25,000	-	-
Fees & Charges	50350 50,846	57,084	87,253	74,975	74,000	139,575	64,600	86.16%
<b>Total Services &amp; Supplies</b>	<b>\$ 1,029,305</b>	<b>\$ 930,121</b>	<b>\$ 1,073,048</b>	<b>\$ 1,418,975</b>	<b>\$ 1,265,000</b>	<b>\$ 1,616,575</b>	<b>\$ 197,600</b>	<b>13.93%</b>
<b>Total Operating Expenditures</b>	<b>\$ 8,273,390</b>	<b>\$ 9,940,144</b>	<b>\$ 11,610,421</b>	<b>\$ 11,239,615</b>	<b>\$ 11,642,764</b>	<b>\$ 9,533,218</b>	<b>\$ (1,706,397)</b>	<b>-15.18%</b>
Fixed Assets	50600 \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Expenses</b>	<b>\$ 8,273,390</b>	<b>\$ 9,940,144</b>	<b>\$ 11,610,421</b>	<b>\$ 11,239,615</b>	<b>\$ 11,642,764</b>	<b>\$ 9,533,218</b>	<b>\$ (1,706,397)</b>	<b>-15.18%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



**Reservoir 1B Potable Tank**

## **Non-Potable Water Production & Distribution – Program 53**

The Non-Potable Water Production & Distribution program delivers non-potable water to the District's customers in a safe and cost-effective manner. The non-potable system includes the Conejo Creek Diversion structure, 49 million gallons of surface storage area, three wells, four pumping stations, four reservoirs, and 23 miles of distribution pipelines. These costs are allocated 100% to the non-potable water cost center.

### **Accomplishments for 2021-2022**

- Completed annual overhaul of Diversion debris screens
- Calibrated all non-potable production meters
- Inspected and cleaned Reservoir 1A
- Repaired Pump Station 4 mechanical seals
- Replaced 8" and 10" flow meters at Pump Station 4
- Replaced 10" Cla Valves and 10" flow meters at Santa Rosa Pump House
- Completed annual site supervisor inspections for District recycled water customers

### **Goals for 2022-2023**

- Begin planning for the conversion of a portion of the non-potable system to a Title 22-compliant recycled water system
- Complete annual overhaul of Diversion debris screens
- Calibrate all non-potable production meters
- Complete annual sandbar removal at the Conejo Creek Diversion
- Complete design and begin construction of Ag3 Water Tank and site improvements



## Non-Potable Water Production & Distribution – Program 53

Non-Potable Water Production & Distribution Program 53		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Production</b>									
Water Purchases-Calleguas	50010	\$ 523,058	\$ 624,738	\$ 598,488	\$ 652,793	\$ 589,169	\$ 768,895	\$ 116,102	17.79%
Conejo Creek Project	50011	645,223	658,919	958,007	618,672	702,980	640,906	22,234	3.59%
CamSan		-	-	-	-	68,000	92,963	92,963	-
Production Power	50020	749,041	778,500	893,380	891,912	859,000	864,183	(27,729)	-3.11%
<b>Total Production</b>		<b>\$1,917,322</b>	<b>\$2,062,157</b>	<b>\$2,449,875</b>	<b>\$ 2,163,377</b>	<b>\$ 2,219,149</b>	<b>\$ 2,366,947</b>	<b>\$ 203,570</b>	<b>9.41%</b>
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 68,400	\$ 135,480	\$ 110,452	\$ 385,950	\$ 325,000	\$ 382,300	\$ (3,650)	-0.95%
Professional Services	50230	1,318	1,122	-	75,000	325,000	70,000	(5,000)	-6.67%
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 69,718</b>	<b>\$ 136,602</b>	<b>\$ 110,452</b>	<b>\$ 460,950</b>	<b>\$ 650,000</b>	<b>\$ 452,300</b>	<b>\$ (8,650)</b>	<b>-1.88%</b>
<b>Services &amp; Supplies</b>									
Pipeline Repairs	50240	40,362	37,898	9,058	75,000	50,000	100,000	25,000	33.33%
Small Tools & Equipment	50250	-	-	-	4,500	4,500	4,500	-	0.00%
Materials & Supplies	50260	11,369	14,176	16,902	42,000	42,000	42,000	-	0.00%
Repair Parts & Equipment Maintenance	50270	259,716	358,628	172,304	350,000	260,000	350,000	0	0.00%
Fees & Charges	50350	264	4,860	2,035	3,200	3,200	3,500	300	9.38%
<b>Total Services &amp; Supplies</b>		<b>\$ 311,711</b>	<b>\$ 415,562</b>	<b>\$ 200,299</b>	<b>\$ 474,700</b>	<b>\$ 359,700</b>	<b>\$ 525,000</b>	<b>\$ 50,300</b>	<b>10.60%</b>
<b>Total Operating Expenses</b>		<b>\$2,298,751</b>	<b>\$2,614,321</b>	<b>\$2,760,626</b>	<b>\$ 3,099,027</b>	<b>\$ 3,228,849</b>	<b>\$ 3,344,247</b>	<b>\$ 245,220</b>	<b>7.91%</b>
Fixed Assets	50600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Total Expenses</b>		<b>\$ 2,298,751</b>	<b>\$ 2,614,321</b>	<b>\$ 2,760,626</b>	<b>\$ 3,099,027</b>	<b>\$ 3,228,849</b>	<b>\$ 3,344,247</b>	<b>\$ 245,220</b>	<b>7.91%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



Conejo Creek Diversion

## Wastewater Collection & Treatment – Program 57

The Wastewater Collection & Treatment program provides for the operation, maintenance, and repair of the Camrosa Water Reclamation Facility (CWRF) and the sewer collection system, including 40 miles of collection lines, five lift stations, four siphon structures, and 1,350 manholes. Each year, two thirds of this system receives hydro-cleaning, and suspected trouble spots are identified and videotaped. The source control program ensures that industrial customers do not discharge materials hazardous to the treatment process and restaurants do not discharge grease into the collection system. The CWRF has helped increase the water resources available to the District. These costs are allocated 100% to the wastewater cost center.

### Accomplishments for 2021-2022

- No wastewater violations
- No sanitary sewer overflows
- Cleaned two thirds of the collection system
- Completed annual calibration of all flow meters at CWRF
- Completed sequential chlorination study at CWRF and submitted to LA-RWQCB
- Began construction of permanent ammonia injection facility for sequential chlorination
- Completed PFAS study at CWRF to satisfy new regulatory requirements
- Completed replacement of the motor control center at Sewer Lift 1
- Completed replacement of the motor control center at Sewer Lift Read Rd.
- Installed ten additional SmartCover sewer level monitoring devices
- Rehabilitated 40 manholes
- Rehabilitated sewer diversion at CamSan
- Completed construction of CWRF's emergency generator diesel fuel tank replacement

### Goals for 2022-2023

- Zero wastewater violations and zero sanitary sewer overflows
- Complete construction of permanent ammonia injection system for sequential chlorination
- Construct Dewatering Press at CWRF
- Complete construction of CWRF effluent pond(s) rehabilitation & improvements
- Complete CWRF upgrades project
- Replace barscreen at CWRF headworks
- Replace "atmospheric monitoring system" within the CWRF headworks building
- Complete annual calibration of all flow meters at CWRF
- Continue manhole rehabilitation

## Wastewater Collection & Treatment – Program 57

Wastewater Collection & Treatment Program 57		Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Budget FY 2021-22	Projections FY 2021-22	Budget FY 2022-23	*Increase (Decrease) over PY	*% Change over PY
<b>Production</b>									
Salinity Management Pipeline-Calleguas	50011	\$ 28,383	\$ 14,108	\$ 9,772	\$ 21,492	\$ 10,375	\$ 22,984	\$ 1,492	6.94%
<b>Total Production</b>		<b>\$ 28,383</b>	<b>\$ 14,108</b>	<b>\$ 9,772</b>	<b>\$ 21,492</b>	<b>\$ 10,375</b>	<b>\$ 22,984</b>	<b>\$ 1,492</b>	<b>6.94%</b>
<b>Contracts &amp; Professional Services</b>									
Outside Contracts	50220	\$ 285,809	\$ 530,296	\$ 469,475	\$ 646,000	\$ 704,000	\$ 822,000	\$ 176,000	27.24%
Professional Services	50230	15,191	33,989	52,316	34,000	40,000	30,000	(4,000)	-11.76%
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 301,000</b>	<b>\$ 564,285</b>	<b>\$ 521,791</b>	<b>\$ 680,000</b>	<b>\$ 744,000</b>	<b>\$ 852,000</b>	<b>\$ 172,000</b>	<b>25.29%</b>
<b>Services &amp; Supplies</b>									
Utilities	50200	\$ 16,339	\$ 10,393	\$ 11,012	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.00%
Pipeline Repairs	50240	-	13,091	5,369	10,000	14,351	10,000	-	0.00%
Small Tools & Equipment	50250	-	79	1,564	1,000	1,000	1,000	-	0.00%
Materials & Supplies	50260	36,226	44,173	79,893	67,500	75,000	87,500	20,000	29.63%
Repair Parts & Equipment Maintenance	50270	156,384	95,612	53,650	99,000	80,000	99,000	-	0.00%
Dues & Subscriptions	50290	-	-	-	3,000	-	3,000	-	0.00%
Fees & Charges	50350	15,515	35,514	40,753	46,500	46,500	61,500	15,000	32.26%
<b>Total Contracts &amp; Professional Services</b>		<b>\$ 224,464</b>	<b>\$ 198,862</b>	<b>\$ 192,241</b>	<b>\$ 242,000</b>	<b>\$ 231,851</b>	<b>\$ 277,000</b>	<b>\$ 35,000</b>	<b>14.46%</b>
<b>Total Operating Expense</b>		<b>\$ 553,847</b>	<b>\$ 777,255</b>	<b>\$ 723,804</b>	<b>\$ 943,492</b>	<b>\$ 986,226</b>	<b>\$ 1,151,984</b>	<b>\$ 208,492</b>	<b>22.10%</b>
Fixed Assets	50600	\$ -	\$ 16,519	\$ 3,071	\$ 11,100	\$ 10,147	\$ -	\$ (11,100)	-100.00%
<b>Total Expenses</b>		<b>\$ 553,847</b>	<b>\$ 793,774</b>	<b>\$ 726,875</b>	<b>\$ 954,592</b>	<b>\$ 996,373</b>	<b>\$ 1,151,984</b>	<b>\$ 197,392</b>	<b>20.68%</b>

\*Compares FY 2021-22 Adopted Budget to FY 2022-23 Adopted Budget



*Effluent Pond Relining at the Camrosa Water Reclamation Facility*

## Capital Projects Summary

During FY2021-22, the District completed a number of capital projects that improved potable water, non-potable water, and wastewater operations.

Potable water improvements included the completion of the potable water model to evaluate storage, pumping, fire flow and other distribution deficiencies, Pump Station 2 to 3, Chloramination improvements, Tierra Rejada rehabilitation, PV Well #2 upgrades and Pump Station #2 generator and full tank installation.

Non-potable water improvements included completion of diversion pump replacement.

Wastewater improvement projects include the installation of smartcovers, sewer lift Read road MCC, Sewer diversion structure rehabilitation, sewer lift #1 MCC, sewer line at woodcreek.



## Carryovers and Closeouts

The following table summarizes the existing capital projects that were appropriated in prior fiscal years. Several of the capital projects are projected to be completed by June 30, 2022 and will be capitalized. Any unspent funds will be returned to the appropriate reserve fund. Ongoing capital projects will carryover into the FY2022-23 budget to be complete by June 30, 2023.

Project #	Prior FY Budget	FY 2021-22 Budget	Mid-Year Budget	Total Budget	Total Actual/Projected	Carryover	Closeouts De-Obligate	Description	Status
<b>Completed Projects</b>									
400-22-01		300,000		300,000	205,891	-	94,109	District's Headquarters Security	Completed
550-21-03	60,000	-	-	60,000	59,885	-	115	Sewer Diversion Structure Rehabilitation	Completed
550-22-01		90,000		90,000	89,977	-	23	SmartCovers Sewer Manholes	Completed
600-15-01	1,280,000	-	-	1,280,000	1,214,680	-	65,320	Pump Station 2 to 3	Completed
650-17-05	193,500			193,500	193,426	-	74	Chloramination Project	Completed
650-20-06	110,000	-	-	110,000	108,623	-	1,377	Potable Water Model	Completed
650-22-02		120,000	205,000	325,000	325,000	-	-	Tierra Rejada Well	Completed
650-22-05			407,333	407,333	407,333	-	-	PV Well #2 Upgrades	Completed
750-21-04	70,000	-	-	70,000	66,557	-	3,443	Diversion Pump Replacement	Completed
800-20-03	160,000	-	-	160,000	44,041	-	115,959	Reservoir 4C Hydro-Pneumatic Pump	Completed
800-20-04	160,000	-	-	160,000	53,281	-	106,719	Reservoir 4C Replacement	Completed
900-20-01	153,000	135,000	-	288,000	288,000	-	-	CWRF Emergency Generator Fuel Tank	Completed
900-20-02	250,000	-	-	250,000	250,000	-	-	Sewer Lift #1 MCC	Completed
900-20-03	258,000	-	-	258,000	175,859	-	82,141	Sewer Line Woodcreek	Completed
<b>Total Completed</b>	<b>\$ 2,694,500</b>	<b>\$ 645,000</b>	<b>\$ 612,333</b>	<b>\$ 3,951,833</b>	<b>\$ 3,482,554</b>	<b>\$ -</b>	<b>\$ 469,280</b>		
<b>Carryovers</b>									
400-20-02	315,000	155,000	200,000	670,000	490,000	180,000		Reservoir 1B Comm Facility	Carryover
400-22-02	-	504,000		504,000	-	504,000		Utility Billing System	Carryover
400-22-03	-	90,000		90,000	-	90,000		LIMS	Carryover
400-22-04		65,000		65,000	30,000	35,000		Tier 2 Historian	Carryover
400-22-05		70,000		70,000	13,000	57,000		Radio Tower @4B	Carryover
600-20-02	4,275,000		7,000,000	11,275,000	8,000,000	3,275,000		Conejo Wellfield Treatment	Carryover
650-15-01	5,967,000	-	-	5,967,000	4,400,000	1,567,000		PV Well #2	Carryover
650-20-03	280,000	-	-	280,000	130,000	150,000		Meter Station Control Cabinets	Carryover
650-21-01	290,000	-	-	290,000	140,000	150,000		Meter Station 5 and 7 Rehabilitation	Carryover
650-22-01	-	362,000		362,000	236,000	126,000		Penny Well Degasser	Carryover
650-22-03	-	200,000		200,000	100,000	100,000		Distribution Valve Replacement	Carryover
650-22-04	-	350,000		350,000	150,000	200,000		CamSprings Waterline	Carryover
800-20-02	143,000	190,000	30,000	363,000	300,000	63,000		Pump Station #2 Generator Fuel Tank	Carryover
500-22-01	-	-	400,000	400,000	100,000	300,000		Sequential Chloramination	Carryover
550-21-01	360,000	-	-	360,000	255,000	105,000		Sewer Lift Road Road MCC	Carryover
900-18-01	1,057,500	-	-	1,057,500	900,000	157,500		CWRF Upgrades	Carryover
900-18-02	1,858,000	300,000	-	2,158,000	172,874	1,985,126		De-watering Press	Carryover
900-18-03	869,000	632,500	-	1,501,500	1,200,000	301,500		Effluent Pond Relining	Carryover
<b>Total Carryovers</b>	<b>\$ 15,414,500</b>	<b>\$ 2,918,500</b>	<b>\$ 7,630,000</b>	<b>\$ 25,963,000</b>	<b>\$ 16,616,874</b>	<b>\$ 9,346,126</b>	<b>\$ -</b>		
<b>Total CIPs</b>	<b>\$ 18,109,000</b>	<b>\$ 3,563,500</b>	<b>\$ 8,242,333</b>	<b>\$ 29,914,833</b>	<b>\$ 20,099,428</b>	<b>\$ 9,346,126</b>	<b>\$ 469,280</b>		
<b>Fixed Assets</b>									
<b>Total Fixed Assets</b>	<b>\$ -</b>	<b>\$ 118,600</b>	<b>\$ -</b>	<b>\$ 118,600</b>	<b>\$ 106,553</b>	<b>\$ -</b>	<b>\$ 12,047</b>	FY2021-22 Fixed Assets	
<b>Total CIP &amp; Fixed Assets</b>	<b>\$ 18,109,000</b>	<b>\$ 3,682,100</b>	<b>\$ 8,242,333</b>	<b>\$ 30,033,433</b>	<b>\$ 20,205,981</b>	<b>\$ 9,346,126</b>	<b>\$ 481,327</b>		

## Capital Projects Carryover Details

The following capital projects were appropriated in prior fiscal years and to be completed in FY2022-23.

### General Projects

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#### **400-20-02    \$ 670,000    Reservoir 1B Communication Facility**

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Reservoir 1B is a main backbone node and vital communication hub for SCADA, AMR, and connectivity to the remote CWRP/RMWTP sites. During recent emergency conditions, such as the Easy and Hill Fires, SCE power to this site was shut down, leaving equipment with limited UPS and/or solar power. Currently, radio and network equipment are housed in an old wooden building that is undersized, lacks adequate insulation, and is vulnerable to weather, wind, fires, and vandalism. Accessibility will be improved; access is currently over a steep unimproved dirt road that is susceptible to erosion, difficult to traverse during bad weather, and problematic for diesel deliveries. Additional improvements include a small emergency standby generator. The budgeted amount includes engineering design and an estimated construction cost. Design is estimated to be complete in spring of 2021 and construction is expected to be completed by July 31, 2022. This is a new project that was not included in the 2019 Rate Study.

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#### **400-22-02    \$ 504,000    Utility Billing System**

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The current billing system, Advanced CIS version 3, is antiquated and was placed online in 2007. Many routine processes are currently performed manually (e.g., late fees and deposits), which is not efficient. Additional functionality includes mobile access for field technicians and web-based account access for customers. Project steps include migrating the existing version 3 from on-premise to cloud-based and then upgrading to version 5. This upgrade benefits all three cost centers. This project is expected to be completed by the end of FY2022-23. This is a new project that was not included in the 2019 Rate Study.

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#### **400-22-03    \$ 90,000    Laboratory Information Management System (LIMS)**

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The labs currently use a combination of Excel, PDFs, and three-ring binders to manage information. A "laboratory information management system," or LIMS, would digitize this process, from field collection via a mobile app to an instrument interface to a fully integrated database. It would increase organization, improve accuracy, save time, streamline permit-related reporting, and maximize data shareability across users in the organization. This project is to be completed the end of FY2022-23. This is a new project that was not included in the 2019 Rate Study.

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#### **400-22-04    \$ 65,000    Tier 2 Historian**

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The existing Wonderware Tier 1 Historian servers are the backbone of the SCADA system. They connect and collect data directly from the District's many PLCs and controllers. This information is relayed to and supports the operator stations and HMIs. This all takes place on protected SCADA subnets. This historical information is also available to the office subnet and workstations as it is used on a regular basis to produce reports. The Tier 2 Historian would provide an additional level of security between the office and SCADA subnets. This is the total project cost, and it is to be completed by August 31, 2022. This is a new project that was not included in the 2019 Rate Study.

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#### **400-22-05    \$ 70,000    Radio Tower @ 4B**

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This project will replace the 40-foot radio tower, equipment, and enclosure at the 4B reservoir site. The existing tower was constructed to support a data collection unit (DCU) for the automated meter reading system; as the District's automation and other technological capabilities have increased over the years, more equipment has been installed on this tower, including support for the east end radio network backbone and the 4B reservoir level, as well as the existing DCU. This project will be completed by September 30, 2022. This is a new project that was not included in the 2019 Rate Study.



## Capital Projects Carryover Details (Continued)

### Potable Projects

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<b>600-20-02</b>	<b>\$11,275,000</b>	<b>Conejo Wellfield Treatment</b>
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Conejo Wellfield wells have tested positive for TCP, a regulated contaminant with an MCL of 5 ppt. The Conejo Wells have consistently been above the MCL. A feasibility study completed in March 2020 recommends a granular activated carbon (GAC) vessel treatment facility. Design was completed in October 2021. Construction began in December 2021 with a 360-day contract. This project is anticipated to be completed by end of calendar year 2022. This is a new project that was not included in the 2019 Rate Study.

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<b>650-15-01</b>	<b>\$5,967,000</b>	<b>PV Well #2</b>
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Agreements between the Pleasant Valley County Water District (PVCWD) and the Fox Canyon Groundwater Management Agency (FCGMA) have resulted in the exchange of non-potable surface water for potable groundwater within the Pleasant Valley Basin. This project provides a secondary well, in addition to the existing Woodcreek Well, within the Pleasant Valley Groundwater Basin to produce the District's increased pumping allocations. The new well was drilled in 2016 at the opposite end of Woodcreek Park from the Woodcreek Well. The original design included iron and manganese filtration; water quality analysis since the completion of the well led to removal of the iron and manganese filters from design. The well was brought online in 2020 with temporary piping and well housing while design was finalized and construction of the permanent site orchestrated. Construction of the well is anticipated to be complete by end of calendar year 2022. This project was included in the 2019 Rate Study.

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<b>650-20-03</b>	<b>\$ 280,000</b>	<b>Meter Station Control Cabinets</b>
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Camrosa's meter stations control cabinets are aging and have limited functionality. The upgrade will include batteries for an estimated two-plus days of backup with full operational control of the station and interface with Calleguas. The current control cabinets have no backup provisions for power loss. Control cabinets at 11 meter stations will be replaced. This project is expected to be completed by the end of FY2022-23. This project was included in the 2019 Rate Study.

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<b>650-21-01</b>	<b>\$ 290,000</b>	<b>Meter Station 5 and 7 Rehabilitation</b>
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Meter Station #5 and #7 are in need of rehabilitation. This rehabilitation effort would include replacing all the Cla-Val valves, replacing associated piping, vault maintenance and painting. This project is expected to be completed by August 31, 2022.

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<b>650-22-01</b>	<b>\$ 362,000</b>	<b>Penny Well Degasifier</b>
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Since 2018, the Penny Well has been experiencing air-entrainment issues, forcing the District to operate the below capacity. A consultant has completed a technical memorandum describing design alternatives and pilot testing. Design is expected to be complete by summer of 2022. Construction costs are dependent on the preferred solution; additional funding will be appropriated as necessary. This project is expected to be completed by the end of FY2022-23. This is a new project that was not included in the 2019 Rate Study.

## Capital Projects Carryover Details (Continued)

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**650-22-03     \$ 200,000     Distribution Valve Replacement**

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The potable distribution system includes more than 200 miles of transmission and distribution pipelines, 1,300 mainline valves, and 1,100 fire hydrant valves. Most of these valves were installed in the late '60s and '70s. The Operations & Maintenance department replaces them as stuck or damaged valves are encountered and as part of both routine and emergency pipeline repairs. This is an ongoing system maintenance expense. Historically, valve replacement costs were appropriated on an individual basis. Establishing this CIP will enable the District to replace valves throughout the year as they are identified and/or in a timely manner after failure, and will provide for financial forecasting. This project is expected to be complete by end of calendar year 2022. This is a new project that was not included in the 2019 Rate Study.

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**650-22-04     \$ 350,000     CamSprings Waterline**

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The existing waterline that crosses the Conejo Creek between the Camarillo Springs Golf course and Camarillo Sanitary District treatment plant blew out and needs to be replaced. Operations & Maintenance installed new valves on either side of the creek to isolate the leak. Due to changes in the creek bed since the pipe was originally installed, sections of the pipe are now quite shallow and the condition of the pipe is in question. Returning the line to service is critical to restoring hydraulic capacity in the area, and directional drilling a new line under the creek will provide a more robust solution. Design began in spring 2022. Additional funding of construction will be appropriated as necessary. Construction is expected to begin in the summer of 2022 and be completed by the end of the calendar year. This is a new project that was not included in the 2019 Rate Study.

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**800-20-02     \$ 363,000     Pump Station #2 Generator & Fuel Tank**

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This project will provide emergency potable drinking water and fire services to Reservoir 4B in the event of a power outage. Reservoir 4B is the only potable water tank that serves this zone and is supplied from a single pump station (Pump Station No. 2). There is no redundancy available from other tanks or higher pressure zones. This project provides for engineering, pre-purchasing of the generator and fuel tank, and construction. The project is anticipated to be complete by July 31, 2022. This is a new project that was not included in the 2019 Rate Study.

### Wastewater Projects

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**500-22-01     \$400,000     Ammonia Injection (Sequential Chlorination)**

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Camrosa's Waste Discharge Requirements (WDR) Order No. R4-2019-0118, the operating permit for the Camrosa Water Reclamation Facility (CWRf), approved the substitution of sequential chlorination for the extended chlorine contact times that would have been required by rerating the CWRf from its original 1.5 million gallons a day to 2.25 MGD. This project will require the installation additional process control sensors, ammonia storage/containment, redundant peristaltic pumps, and associated piping, electrical, automation, and SCADA integration. Preliminary results of the sequential chlorination study, described in a report authored by Camrosa staff and submitted to the Los Angeles Regional Water Quality Control Board, proved that disinfection byproduct concentrations within the effluent NPDES and WDR permit limits can be realized while ensuring complete disinfection. This is a new project that was not included in the 2019 Rate Study. This project is anticipated to be completed by end of calendar year 2022.

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**550-21-01     \$360,000     Sewer Lift Read Road MCC**

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Read Road Sewer Lift is located on Read Road and lifts the sewer 220 feet into the City of Thousand Oaks' collection system. The Motor Control Center (MCC) and related instrumentation is outdated and needs to be replaced to ensure operational reliability. This project is to be completed by October 31, 2022.

## Capital Projects Carryover Details (Continued)

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<b>900-18-01</b>	<b>\$1,057,500</b>	<b>CWRF Upgrades</b>
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The CWRF has two hypochlorite tanks that are currently leaking and in need of repair. The tanks are currently exposed to the elements, and this project would include construction of housing to protect them. Housing would also be built to provide cover for the front-end loader, forklift, tiller, and other CWRF vehicles. The concrete, tanks, electrical/instrumentation controls, and structural support were constructed in FY2021-22 and the new tanks were put into service. The roofing and siding system remain outstanding; longer lead times push project completion into next fiscal year. This project is anticipated to be complete by end of calendar year 2022.

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<b>900-18-02</b>	<b>\$2,158,000</b>	<b>Dewatering Press</b>
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The District spends approximately \$140,000 in outside contracts and 800 Camrosa labor hours a year to press, till, and dry sludge at the CWRF. A dewatering press would save these resources for other functions. The press would be located adjacent to the biosolids drying beds. Staff has identified a fan press as the preferred machinery. Design is complete but the project currently on-hold. Currently staff is pursuing grant funding for the project. Costs include the fan press equipment and construction. This project is anticipated to be completed by July 31, 2022. This project was included in the 2019 Rate Study

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<b>900-18-03</b>	<b>\$1,501,500</b>	<b>Effluent Pond Relining</b>
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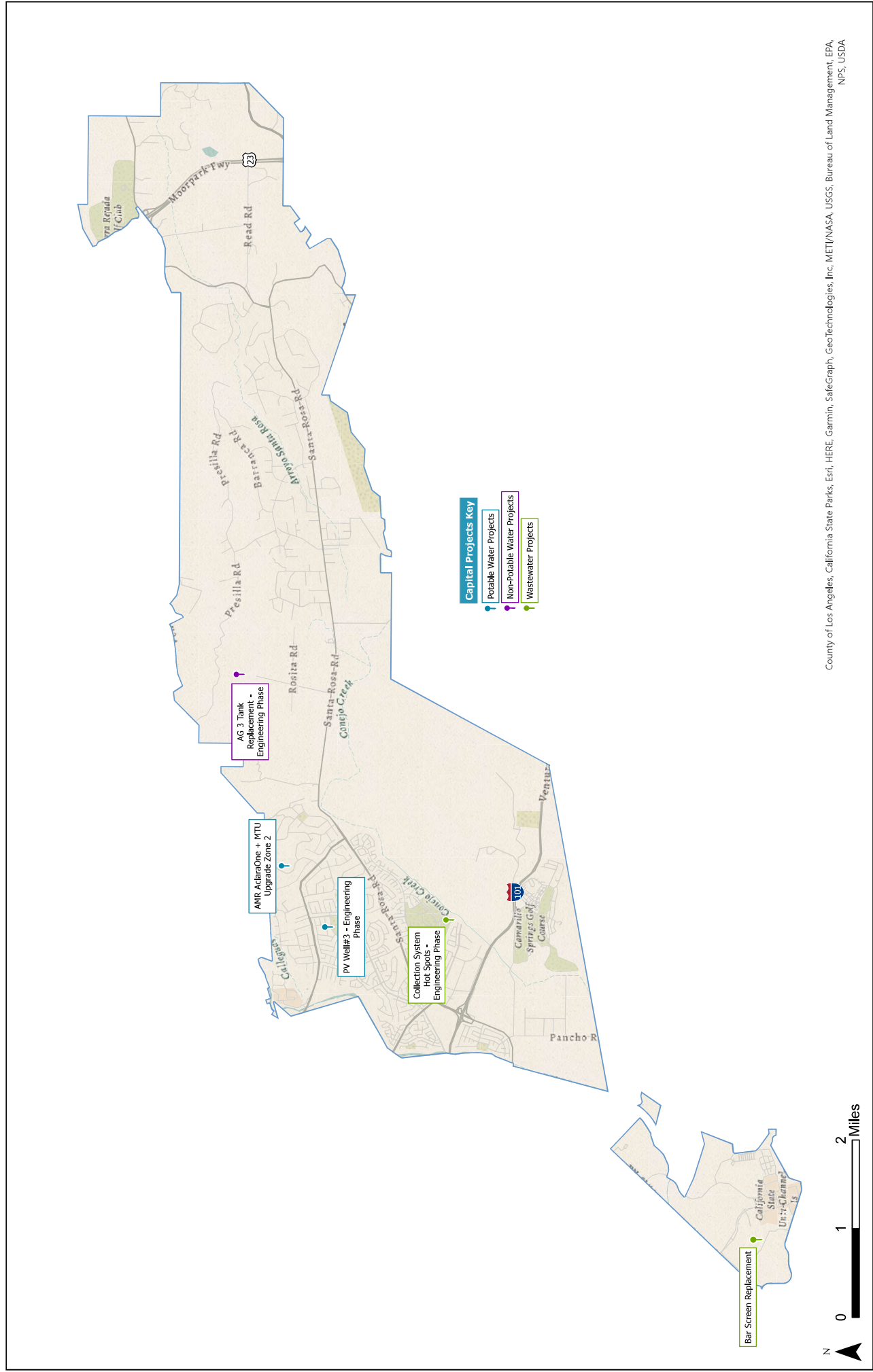
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The existing effluent ponds at the CRWF were originally lined with a “hydraulic” lining, which can result in leakage. In addition, the ponds accumulate sediment, which promotes plant growth that in turn results in water loss and an accelerated chlorine residual loss. Relining the ponds with soil cement creates a less permeable surface to reduce water loss through leakage and a more robust surface for easier cleaning with heavy equipment to reduce water loss through plant evapotranspiration. Costs includes engineering, soil cement liner, waterstop, slide gate replacement, and bypass pipeline replacement. No outside maintenance labor or equipment is expected. Demolition of the existing liner, earthwork, pipeline construction, and soil cement installation were completed in FY2021-22. Longer-than-anticipated lead items on specific items push this project into FY2022-23, but it is expected to be complete by end of calendar year 2022. This project was included in the 2019 Rate Study.

## Capital Projects FY 2022-23

The following table is a listing of the capital projects appropriated as part of the FY2022-23 budget and to be completed by the end of the fiscal year.

Capital Projects	Budget FY 2022-23	Description
<b>Potable Water Projects</b>		
650-23-01	462,000	AMR AclaraOne +MTU Upgrade Zone 2
600-23-01	180,000	PV Well # 3 - Engineering Phase
<i><b>Total Potable Projects</b></i>	<b>\$ 642,000</b>	
<b>Non-Potable Water Projects</b>		
750-23-01	150,000	AG 3 Tank Replacement - Engineering Phase
<i><b>Total Non-Potable Projects</b></i>	<b>\$ 150,000</b>	
<b>Wastewater Projects</b>		
550-23-01	330,000	Collection System Hot Spots - Engineering Phase
550-23-02	500,000	Diversion Bar Screen Replacement
<i><b>Total Wastewater Projects</b></i>	<b>\$ 830,000</b>	
 <i><b>Total CIPs</b></i>	 <b>\$ 1,622,000</b>	



## Capital Projects FY 2022-23 (Continued)

### Potable

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<b>650-23-01</b>	<b>\$462,000</b>	<b>AMR AclaraOne + MTU Upgrade Zone 2</b>
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To maintain supportability, Camrosa's AMR (Automatic Meter Reading) system, provided by Aclara, will require modification. Aclara will no longer be supporting the Network Communication Controller (NCC) portion of the system. The NCC is a MS Windows-based server that collects Meter Transmission Unit (MTU) reads and configuration information and provides a graphical HTML interface for analytics and reporting. Aclara will be replacing these NCC functions with a new cloud-based system called AclaraONE. Commensurate with this project, staff is proposing a pilot upgrade of all MTUs in its potable pressure zone 2 from the existing model-3421 (hourly reads). The project would upgrade the existing quantity 1450, Model-3421 (hourly read) units to Model-3451 (hourly, 30-day cached read) units. The project would also include contracted labor support from an experienced Aclara installer for installation of these units. The upgrade would allow staff to perform daily production vs. usage analysis within pressure zone 2. This zone currently exhibits a 14 acre-foot/month average water loss and having the capability to compare daily usage and production would assist in determining the cause of this loss. Additionally, this project would include parts and labor for installation of 400 MTUs in the Camarillo Springs area, which would complete deployment of remote-read meters across all the District's service connections. Staff is in the process of obtaining MTU and installation cost. It is estimated this project would be complete in the spring of 2023. This is a new project not included in the 2019 Rate Study.

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<b>600-23-01</b>	<b>\$180,000</b>	<b>PV Well #3 – Engineering Phase</b>
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As part of Pleasant Valley Basin Management, the development of two monitoring wells within the basin are necessary to collect groundwater data that will allow the District to better regulate and make decisions regarding, water quality, water levels, and other geophysical properties. These wells are expected to be constructed within the basin in locations determined by the District's contract hydrogeologist. Permitting and construction of the monitoring wells is expected to take 8-12 months and should be completed no later than summer of 2023.

### Non-Potable

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<b>750-23-01</b>	<b>\$150,000</b>	<b>AG3 Tank Replacement – Engineering Phase</b>
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The existing Ag3 tank was built in 1991. The tank is partially damaged and, at 50,000 gallons, needs to be upsized; during peak demands, it drains completely, limiting the availability of supply. In lieu of repairing, recoating, and providing necessary drainage and road improvements, the Ag system would benefit from constructing a larger, 100,000-gallon precoated tank. Site, drainage, and roadway improvements would be included in this project. This phase of the project design would include a technical memo that would evaluate tank sizing, existing right-of-way, necessary grading/retaining walls, and various other site improvements, along with a preliminary budget estimate. Design is estimated to be complete by February 2023. Staff would return to request additional funding for the construction. This is a new project and was not included in the 2019 Rate Study.



## Capital Projects FY 2022-23 (Continued)

### Wastewater

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**550-23-01     \$330,000     Collection System Hotspots – Engineering Phase**

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This project would engineer solutions to the District's sewer collection system hotspots. These "hotspots" are sections of sewer pipeline that have settled/sagged or encountered significant root infiltration, both of which conditions cause debris to accumulate and impeded flow, which in turn can result in a sewer blockage and/or backup. Hotspots require constant attention and monitoring, including monthly cleaning by Ventura Regional Sanitation Department. Staff has identified 11 hotspots that need to be investigated, realigned, and/or replaced. This project would identify limits of deficient sewer, conduct potholing (if needed), map slope alignment points, develop feasible alternatives, and prepare engineering drawings and specifications. Construction would proceed on a prioritized basis over several subsequent years. Sewer collection improvements were included in the 2019 rate study but the list has been updated in the interim. Design estimated to be complete by the end of FY2022-23.

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**550-23-02     \$500,000     Diversion Bar Screen Replacement**

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Replace Headworks bar screen at CWRP. Project includes screen removal, installation, startup and testing. The project is to be completed by the end of FY2022-23. This project was included in the 2019 Rate Study.

## Reserves

Although Camrosa operates through a single-fund expense budget, the District's reserves are managed through several types of accounts and account categories. In general, reserves are established to accumulate funds to increase system capacity and accommodate growth, replace assets as they reach the end of their useful life, meet unanticipated emergencies, stabilize rates, and meet the covenants of debt issuance instruments and other agreements.

### Restricted Reserves

The Capital Improvement Project (CIP) amount for FY2022-23 has been established at \$1,622,000. Unrestricted reserves have been appropriated and transferred into the restricted accounts. Reserves in the amount of \$879,529 are held with the District's Trustee in accordance with the bond covenants of the 2016 Revenue Bonds.

### Unrestricted Reserves

Unrestricted reserves are accumulated, managed, and earmarked for use by policies developed and implemented by the Camrosa Board of Directors. The Board may amend, discontinue, or supersede these policies at its discretion to serve the best interests of the District. The policy was last updated October 2021.

There are five categories of Unrestricted General Fund Reserves. The Capital Improvement Funds are incremented by the amount of capital fees received from developers each year. The funds are reserved for future expansion of system capacity to meet demand generated as a result of new development and are decremented by the value of the capital projects approved each year for system expansion.

The Capital Replacement Funds are incremented at the end of the fiscal year with contributions from net operating results. The net operating results for each enterprise are distributed directly to the corresponding Capital Replacement Fund. The funds are for both short-term and long-term purposes. The objective is to provide funds for the current and future replacement of existing capital assets as they reach their useful lives. The reserve target level is a minimum of 5% of the replacement value of capital assets.

The Operating and Emergency Funds are incremented from net operating results after all other contributions to reserves have been made. The funds are to provide financial flexibility in the day-to-day conduct of district business and to respond quickly to emergency situations that may pose threats to public health and the District's ability to sustain safe or reliable service. The reserve target level is 45 days of O&M expenses.

The Rate Stabilization Fund segregates funds for use in dampening revenue fluctuations or unexpected operational expenses. This fund is used to stabilize rates in the event of short to mid-term rate revenue loss, and/or higher than anticipated operating expenses that cannot be supported by normal revenues. The reserve target level is 10% of the prior year's rate revenue generated from commodity charges only.

Finally, the Pension Liability Reserve Fund segregates funds to manage the ongoing CalPERS Unfunded Accrued Liability. The fund is used for both short-term and long-term purposes. The objective is to provide funds needed to fully fund accrued liabilities. The target is to be 100% funded with a zero UAL balance. To attain 100% funding level the use of reserves may be set aside in the UAL fund to apply additional discretionary payments towards the liability as approved by the Board of Directors.

The FY2022-23 budget is projected to begin with \$29.9 million unrestricted reserves balance, of which \$1,622,000 is committed to new capital projects.

## Reserves (Continued)

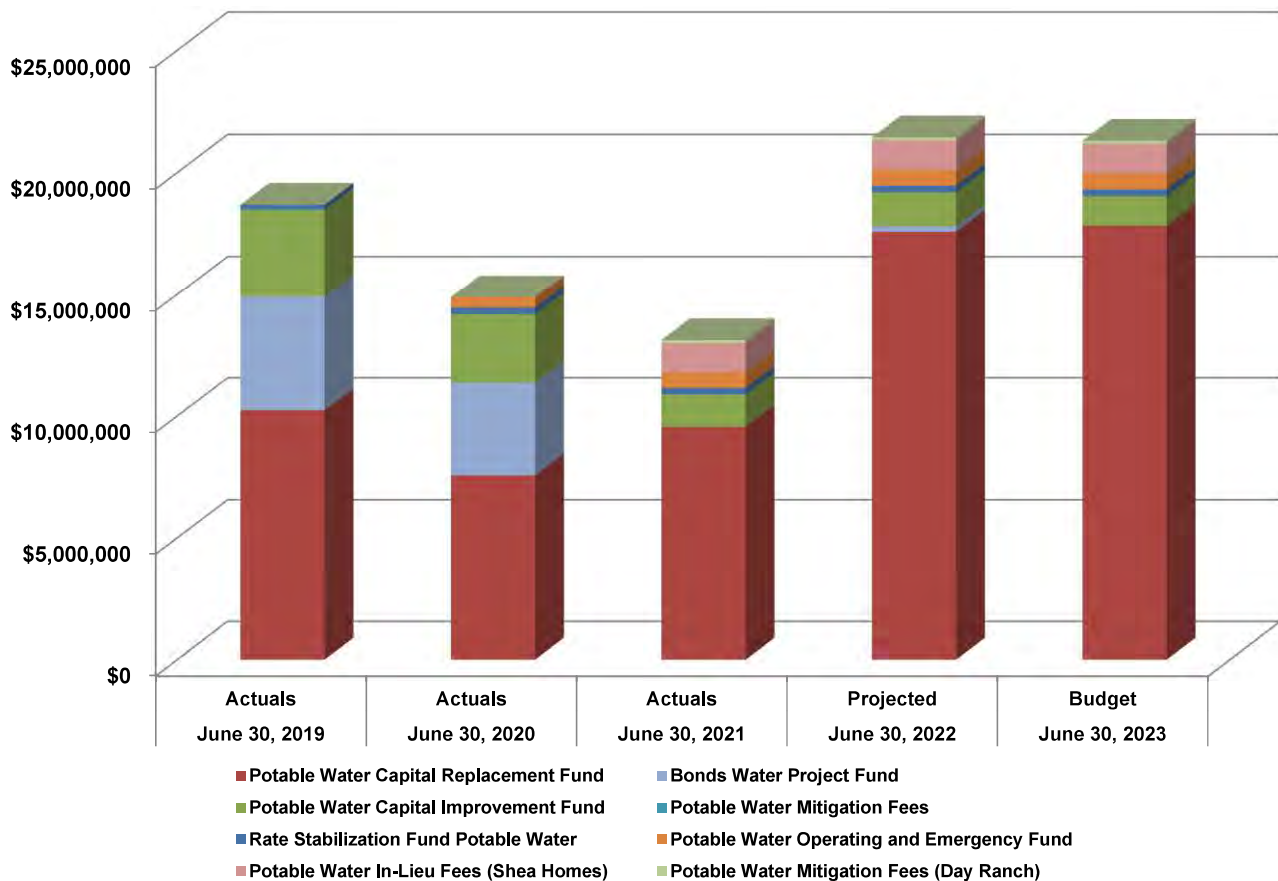
	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Projected FY 2021-22	CIP FY 2022-23	Projected Rate Stabilization Contribution	Projected Capital Contributions	Projected Net Operating Results	Projected FY 2022-23
<b>Unrestricted Reserves</b>									
Potable Water Rate Stabilization Fund	\$ 170,625	\$ 270,625	\$ 270,625	\$ 270,625	\$ -	\$ -	\$ -	\$ -	\$ 270,625
Non-Potable Water Rate Stabilization Fund	170,625	170,625	465,625	535,625	-	70,000	-	-	\$ 605,625
Wastewater Rate Stabilization Fund	183,750	183,750	183,750	263,750	-	-	-	-	\$ 263,750
<b>Total Rate Stabilization Fund</b>	<b>\$ 525,000</b>	<b>\$ 625,000</b>	<b>\$ 920,000</b>	<b>\$ 1,070,000</b>	<b>\$ -</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,140,000</b>
Potable Water Capital Replacement Fund (PWCRF)	\$ 10,232,931	\$ 7,564,881	\$ 9,548,413	\$ 17,580,107	\$ (462,000)	\$ -	\$ 710,000	\$ -	\$ 17,828,107
Potable Water Operating and Emergency Reserves (OER)	-	435,002	635,852	645,214	-	-	-	14,241	\$ 659,455
Potable Water Capital Improvement Fund (PWCIF)	3,566,335	2,812,928	1,331,889	1,397,209	(180,000)	-	-	-	\$ 1,217,209
Potable Water In-Lieu Fees (Shea Homes)	-	-	1,194,653	1,194,653	-	-	-	-	\$ 1,194,653
Potable Water Mitigation Fees (Day Ranch)	-	-	130,025	130,025	-	-	-	-	\$ 130,025
<b>Total Potable Funds</b>	<b>\$ 13,799,266</b>	<b>\$ 10,812,811</b>	<b>\$ 12,840,832</b>	<b>\$ 20,947,208</b>	<b>\$ (642,000)</b>	<b>\$ -</b>	<b>\$ 710,000</b>	<b>\$ 14,241</b>	<b>\$ 21,029,449</b>
Non-Potable Water Capital Replacement Fund (NPWCRF)	\$ 1,474,153	\$ 2,583,988	\$ 3,588,158	\$ 4,182,110	\$ (150,000)	\$ -	\$ 1,387,000	\$ -	\$ 5,419,110
Non-Potable Water Operating and Emergency Reserves (OER)	-	462,412	478,970	479,533	-	-	-	3,365	\$ 482,898
Non-Potable Water Capital Improvement Fund (NPWCIF)	-	-	-	-	-	-	-	-	\$ -
New Demand Mitigation Fees (Pegh Investments)	637,597	-	-	-	-	-	-	-	\$ -
Non-Potable Water In-lieu Fees (Wildwood Preserve)	318,538	318,538	318,538	318,538	-	-	-	-	\$ 318,538
<b>Total Non-Potable Funds</b>	<b>\$ 2,430,288</b>	<b>\$ 3,364,938</b>	<b>\$ 4,385,666</b>	<b>\$ 4,980,181</b>	<b>\$ (150,000)</b>	<b>\$ -</b>	<b>\$ 1,387,000</b>	<b>\$ 3,365</b>	<b>\$ 6,220,546</b>
Wastewater Capital Replacement Fund (WWCRF)	\$ 4,843,797	\$ 3,050,171	\$ 1,234,409	\$ 2,241,514	\$ (830,000)	\$ -	\$ 440,000	\$ -	\$ 1,851,514
Wastewater Operating and Emergency Reserves (OER)	-	341,439	385,120	389,640	-	-	-	2,127	\$ 391,767
Wastewater Capital Improvement Fund (WWCIF)	2,295,620	836,620	702,316	84,456	-	-	-	-	\$ 84,456
<b>Total Wastewater Funds</b>	<b>\$ 7,139,417</b>	<b>\$ 4,228,230</b>	<b>\$ 2,321,845</b>	<b>\$ 2,715,610</b>	<b>\$ (830,000)</b>	<b>\$ -</b>	<b>\$ 440,000</b>	<b>\$ 2,127</b>	<b>\$ 2,327,737</b>
New Demand Mitigation Fee (Comstock Housing, Inc)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Demand Mitigation Fee (Vtra. County Office of Education)	34,249	-	-	-	-	-	-	-	\$ -
<b>Total Mitigation Fees</b>	<b>\$ 34,249</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Water Project Fund	\$ 4,680,000	\$ 3,802,829	\$ -	\$ 222,678	\$ -	\$ -	\$ -	\$ -	\$ 222,678
Wastewater Project Fund	617,863	-	-	-	-	-	-	-	\$ -
<b>Total Bond Funds</b>	<b>\$ 5,297,863</b>	<b>\$ 3,802,829</b>	<b>\$ -</b>	<b>\$ 222,678</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 222,678</b>
Pension Liability Reserve Fund			\$ 142,109	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Unrestricted Reserves</b>	<b>\$ 29,226,083</b>	<b>\$ 22,833,808</b>	<b>\$ 20,610,452</b>	<b>\$ 29,935,677</b>	<b>\$ (1,622,000)</b>	<b>\$ 70,000</b>	<b>\$ 2,537,000</b>	<b>\$ 19,733</b>	<b>\$ 30,940,410</b>
<b>Restricted Assets</b>									
CSUCI Recycleline Repayment	\$ 117,979	\$ 30,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Receivable RMWTP	-	-	-	-	-	-	-	-	\$ -
Grant Receivable PV Well	192,110	83,822	83,822	83,822	-	-	-	-	\$ 83,822
Grant Receivable CamSan Recycle Line	478,516	166,385	-	-	-	-	-	-	\$ -
<b>Total Receivables</b>	<b>\$ 788,605</b>	<b>\$ 280,514</b>	<b>\$ 83,822</b>	<b>\$ 83,822</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,822</b>
Debt Reserves 2011A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Reserves 2012	760,516	-	-	-	-	-	-	-	\$ -
Debt Reserves 2016	879,529	879,529	879,529	879,529	-	-	-	-	\$ 879,529
<b>Total Restricted Assets</b>	<b>\$ 1,640,045</b>	<b>\$ 879,529</b>	<b>\$ 879,529</b>	<b>\$ 879,529</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 879,529</b>
<b>CIP</b>									
Potable Water Capital Replacements	\$ 1,649,755	\$ 1,263,842	\$ 1,427,328	\$ 3,698,538	\$ 462,000	\$ -	\$ -	\$ -	\$ 4,160,538
Non-Potable Water Capital Replacements	384,199	504,157	144,332	270,193	150,000	-	-	-	\$ 420,193
Wastewater Capital Replacements	46,735	265,003	2,768,781	2,103,099	830,000	-	-	-	\$ 2,933,099
Potable Water Capital Improvements	355,222	1,223,101	2,262,238	2,192,172	180,000	-	-	-	\$ 2,372,172
Wastewater Capital Improvements	-	1,191,757	1,197,859	1,049,127	-	-	-	-	\$ 1,049,127
New Demand Mitigation Fee (Wildwood Preserve Project)	423,167	-	-	-	-	-	-	-	\$ -
New Demand Mitigation Fee (SR Valley)	62,365	-	-	-	-	-	-	-	\$ -
New Demand Mitigation Fee (Shea Homes)	1,686,260	1,681,372	1,358,931	-	-	-	-	-	\$ -
<b>Total CIP</b>	<b>\$ 4,607,703</b>	<b>\$ 6,129,232</b>	<b>\$ 9,159,469</b>	<b>\$ 9,313,129</b>	<b>\$ 1,622,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,935,129</b>
<b>Bonds</b>									
Water Improvements	\$ 948,370	\$ 662,651	\$ 3,336,693	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ 33,000
Wastewater Improvements	77,708	671,110	16,249	-	-	-	-	-	\$ -
<b>Total Bond CIP</b>	<b>\$ 1,026,078</b>	<b>\$ 1,333,761</b>	<b>\$ 3,352,942</b>	<b>\$ 33,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,000</b>
<b>Total Restricted Assets</b>	<b>\$ 8,062,431</b>	<b>\$ 8,623,036</b>	<b>\$ 13,475,762</b>	<b>\$ 10,309,480</b>	<b>\$ 1,622,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,931,480</b>
<b>Total Reserves minus Receivables</b>	<b>\$ 36,499,909</b>	<b>\$ 31,176,330</b>	<b>\$ 34,002,392</b>	<b>\$ 40,161,335</b>	<b>\$ -</b>	<b>\$ 70,000</b>	<b>\$ 2,537,000</b>	<b>\$ 19,733</b>	<b>\$ 42,788,068</b>

## Reserves (Continued)

	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Projected FY 2021-22	Projected FY 2022-23
<b>Unrestricted Reserves</b>					
Potable Water Rate Stabilization Fund	\$ 170,625	\$ 270,625	\$ 270,625	\$ 270,625	\$ 270,625
Non-Potable Water Rate Stabilization Fund	170,625	170,625	465,625	535,625	605,625
Wastewater Rate Stabilization Fund	183,750	183,750	183,750	263,750	263,750
<b>Total Rate Stabilization Fund</b>	<b>\$ 525,000</b>	<b>\$ 625,000</b>	<b>\$ 920,000</b>	<b>\$ 1,070,000</b>	<b>\$ 1,140,000</b>
Potable Water Capital Replacement Fund (PWCRF)	\$ 10,232,931	\$ 7,564,881	\$ 9,548,413	\$ 17,580,107	\$ 17,828,107
Potable Water Operating and Emergency Reserves (OER)	-	435,002	635,852	645,214	659,455
Potable Water Capital Improvement Fund (PWCIF)	3,566,335	2,812,928	1,331,889	1,397,209	1,217,209
Potable Water In-Lieu Fees (Shea Homes)			1,194,653	1,194,653	1,194,653
Potable Water Mitigation Fees (Day Ranch)			130,025	130,025	130,025
<b>Total Potable Funds</b>	<b>\$ 13,799,266</b>	<b>\$ 10,812,811</b>	<b>\$ 12,840,832</b>	<b>\$ 20,947,208</b>	<b>\$ 21,029,449</b>
Non-Potable Water Capital Replacement Fund (NPWCRF)	\$ 1,474,153	\$ 2,583,988	\$ 3,588,158	\$ 4,182,110	\$ 5,419,110
Non-Potable Water Operating and Emergency Reserves (OER)	-	462,412	478,970	479,533	482,898
Non-Potable Water Capital Improvement Fund (NPWCIF)	-	-	-	-	-
New Demand Mitigation Fees (Pegh Investments)	637,597	-	-	-	-
Non-Potable Water In-lieu Fees (Wildwood Preserve)	318,538	318,538	318,538	318,538	318,538
<b>Total Non-Potable Funds</b>	<b>\$ 2,430,288</b>	<b>\$ 3,364,938</b>	<b>\$ 4,385,666</b>	<b>\$ 4,980,181</b>	<b>\$ 6,220,546</b>
Wastewater Capital Replacement Fund (WWCRF)	\$ 4,843,797	\$ 3,050,171	\$ 1,234,409	\$ 2,241,514	\$ 1,851,514
Wastewater Operating and Emergency Reserves (OER)	-	341,439	385,120	389,640	391,767
Wastewater Capital Improvement Fund (WWCIF)	2,295,620	836,620	702,316	84,456	84,456
<b>Total Wastewater Funds</b>	<b>\$ 7,139,417</b>	<b>\$ 4,228,230</b>	<b>\$ 2,321,845</b>	<b>\$ 2,715,610</b>	<b>\$ 2,327,737</b>
New Demand Mitigation Fee (Comstock Housing, Inc)	\$ -	\$ -	\$ -	\$ -	\$ -
New Demand Mitigation Fee (Vtra. County Office of Education)	34,249	-	-	-	-
<b>Total Mitigation Fees</b>	<b>\$ 34,249</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Water Project Fund	\$ 4,680,000	\$ 3,802,829	\$ -	\$ 222,678	\$ 222,678
Wastewater Project Fund	617,863	-	-	-	-
<b>Total Bond Funds</b>	<b>\$ 5,297,863</b>	<b>\$ 3,802,829</b>	<b>\$ -</b>	<b>\$ 222,678</b>	<b>\$ 222,678</b>
Pension Liability Reserve Fund			\$142,109	\$0	\$ -
<b>Total Unrestricted Reserves</b>	<b>\$ 29,226,083</b>	<b>\$ 22,833,808</b>	<b>\$ 20,610,452</b>	<b>\$ 29,935,677</b>	<b>\$ 30,940,410</b>
<b>Restricted Assets</b>					
CSUCI Recycleline Repayment	\$ 117,979	\$ 30,307	\$ -	\$ -	\$ -
Grant Receivable RMWTP	-	-	-	-	-
Grant Receivable PV Well	192,110	83,822	83,822	83,822	83,822
Grant Receivable CamSan Recycle Line	478,516	166,385	-	-	-
<b>Total Receivables</b>	<b>\$ 788,605</b>	<b>\$ 280,514</b>	<b>\$ 83,822</b>	<b>\$ 83,822</b>	<b>\$ 83,822</b>
Debt Reserves 2011A	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Reserves 2012	760,516	-	-	-	-
Debt Reserves 2016	879,529	879,529	879,529	879,529	879,529
<b>Total Restricted Assets</b>	<b>\$ 1,640,045</b>	<b>\$ 879,529</b>	<b>\$ 879,529</b>	<b>\$ 879,529</b>	<b>\$ 879,529</b>
<b>CIP</b>					
Potable Water Capital Replacements	\$ 1,649,755	\$ 1,263,842	\$ 1,427,328	\$ 3,698,538	\$ 4,160,538
Non-Potable Water Capital Replacements	384,199	504,157	144,332	270,193	420,193
Wastewater Capital Replacements	46,735	265,003	2,768,781	2,103,099	2,933,099
Potable Water Capital Improvements	355,222	1,223,101	2,262,238	2,192,172	2,372,172
Wastewater Capital Improvements	-	1,191,757	1,197,859	1,049,127	1,049,127
New Demand Mitigation Fee (Wildwood Preserve Project)	423,167	-	-	-	-
New Demand Mitigation Fee (SR Valley)	62,365	-	-	-	-
New Demand Mitigation Fee (Shea Homes)	1,686,260	1,681,372	1,358,931	-	-
<b>Total CIP</b>	<b>\$ 4,607,703</b>	<b>\$ 6,129,232</b>	<b>\$ 9,159,469</b>	<b>\$ 9,313,129</b>	<b>\$ 10,935,129</b>
<b>Bonds</b>					
Water Improvements	\$ 948,370	\$ 662,651	\$ 3,336,693	\$ 33,000	\$ 33,000
Wastewater Improvements	77,708	671,110	16,249	-	-
<b>Total Bond CIP</b>	<b>\$ 1,026,078</b>	<b>\$ 1,333,761</b>	<b>\$ 3,352,942</b>	<b>\$ 33,000</b>	<b>\$ 33,000</b>
<b>Total Restricted Assets</b>	<b>\$ 8,062,431</b>	<b>\$ 8,623,036</b>	<b>\$ 13,475,762</b>	<b>\$ 10,309,480</b>	<b>\$ 11,931,480</b>
<b>Total Reserves minus Receivables</b>	<b>\$ 36,499,909</b>	<b>\$ 31,176,330</b>	<b>\$ 34,002,392</b>	<b>\$ 40,161,335</b>	<b>\$ 42,788,068</b>

## Reserve Accounts (Continued)

### Potable Water - Unrestricted Reserves



**Figure 14 – Unrestricted Potable Water Reserves**

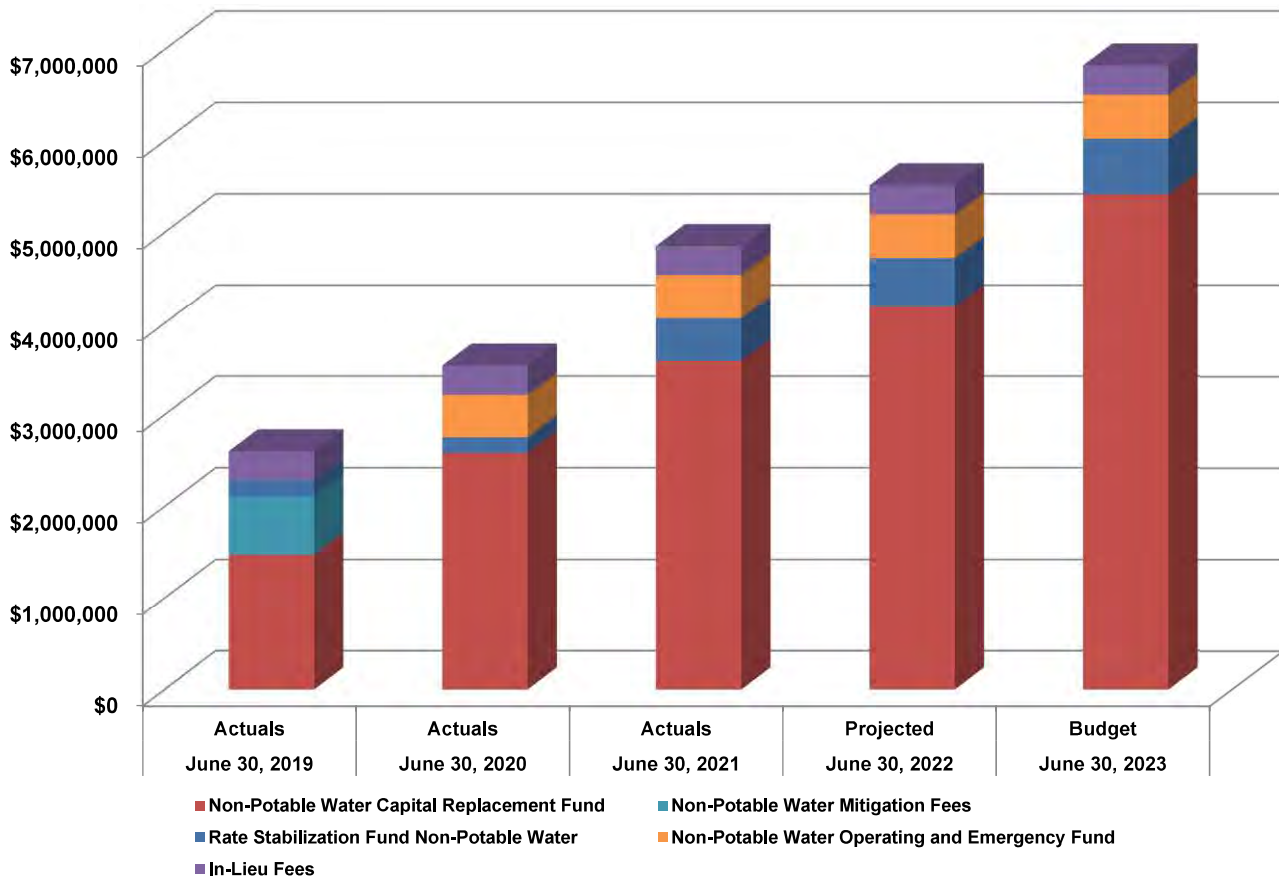
The graph above reflects the various unrestricted reserve funds of the Potable Water Operations.

In FY2021-22, Potable Water Funds appropriated approximately \$9,039,877 towards Capital Projects, \$34,463 towards Fixed Assets. The FY2022-23 budget will appropriate \$642,000 from Potable water funds towards Capital Projects. The Potable Water Capital Replacement Fund receives funding from capital replacement contributions. The projected Capital Replacement Contributions amount for FY2021-22 is \$888,000. The Capital Improvement Fund receives funding from connection fees, in FY2021-22 the District did not receive any connection fees. The Rate Stabilization Fund is used to dampen revenue fluctuations or unexpected operational expenses and receives funding from the operating budget. The District does not anticipate a contribution in FY2021-22 or FY2022-23. The Operating and Emergency Fund is to provide financial flexibility in the day-to-day conduct of District business and to respond quickly to emergency situations that may pose threats to public health and the ability to sustain safe and reliable services and receives funding from the operating budget. In FY2021-22, the District projects a contribution of \$9,362 and anticipates a contribution by \$14,241 in FY2022-23.



## Reserve Accounts (Continued)

### Non-Potable Water - Unrestricted Reserves



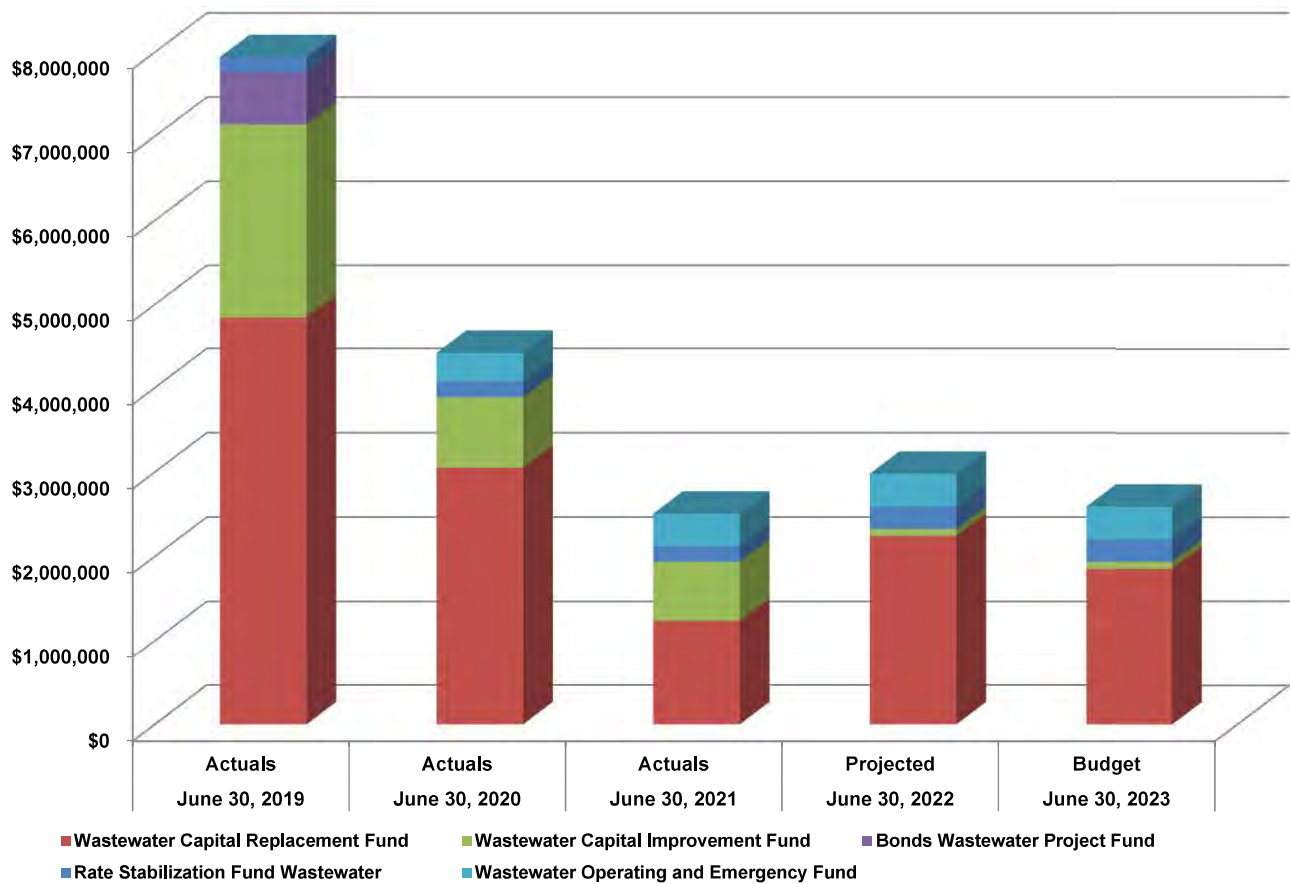
**Figure 15 – Unrestricted Non-Potable Water Reserves**

The graph above reflects the various unrestricted reserve funds of the Non-Potable Water Operations.

In FY2021-22, Non-Potable Water Funds appropriated approximately \$1,276,656 towards Capital Projects and \$31,812 towards Fixed Assets. The FY2022-23 budget will appropriate \$150,000 from Non-Potable Water Funds towards Capital Projects. The Non-Potable Water Capital Replacement Fund receives funding from capital replacement contributions. The Capital Replacement Contributions for FY2021-22 are projected to be approximately \$1,738,000. This contribution will improve the District's ability to pay for future capital projects without the need to issue debt. The Rate Stabilization Fund is used to dampen revenue fluctuations or unexpected operational expenses and receives funding from the operating budget. The District projects a contribution to the fund in the amount of \$70,000 in FY2021-22 and FY2022-23. . The Operating and Emergency Fund is to provide financial flexibility in the day-to-day conduct of district business and to respond quickly to emergency situations that may pose threats to public health and the ability to sustain safe or reliable services and receives funding from the operating budget. In FY2021-22, the District projects a contribution of \$563 and anticipates contributing \$3,365 in FY2022-23.

## Reserve Accounts (Continued)

### Wastewater - Unrestricted Reserves



**Figure 16 – Unrestricted Wastewater Reserves**

The graph above reflects the various unrestricted reserve funds of the Wastewater Operations.

In FY2021-22 Wastewater funds appropriated approximately \$978,000 towards Capital Projects and \$52,325 towards Fixed Assets. The FY2022-23 budget will appropriate \$830,000 from Wastewater funds towards Capital Projects. The Wastewater Capital Replacement Fund receives funding from capital replacement contributions. The Capital Replacement Contributions for FY2021-22 are projected to be \$795,000. The Capital Improvement Fund receives funding from connection fees, in FY2021-22 the District did not receive connection fees. The Rate Stabilization Fund is used to dampen revenue fluctuations or unexpected operational expenses and receives funding from the operating budget. The District projects a contribution to the fund in the amount of \$80,000 for FY2021-22. The District does not anticipate a contribution in FY2022-23. The Operating and Emergency Fund is to provide financial flexibility in the day-to-day conduct of District business and to respond quickly to emergency situations that may pose threats to public health and the ability to sustain safe or reliable services and receives funding from the operating budget. In FY2021-22, the District projects a contribution of \$4,520 and anticipates contributing \$2,127 in FY2022-23.

## Debt Service

The District's debt rating is "AA" from Standard & Poor's. The debt rating was upgraded on October 12, 2016 from "AA-" to "AA".

The District's outstanding debt consists of the Series 2011A/2016A Water and Wastewater Revenue Bonds.

The District issued \$9,630,000 in 2011A Project bonds in September 2011. Proceeds of the bonds funded \$6,508,000 of water capital projects and \$2,447,000 of wastewater capital projects. Subsequently in September 2016, the District advance refunded the 2011A bonds and obtained additional funding in the amount of \$6,000,000, with the issuance of the Water and Wastewater Refunding Revenue Bonds Series 2016A, for water projects. Refunding resulted in more than \$663,000 in net present value savings, lowering the District's annual debt service payment.

The annual debt service payments for FY2022-23 on the Series 2011A/2016 will be approximately \$1,035,331. Approximately \$189,525 is paid with sewer service revenues. The remaining \$845,806 is paid with water revenue. A complete debt service schedule is located in Appendix #4.

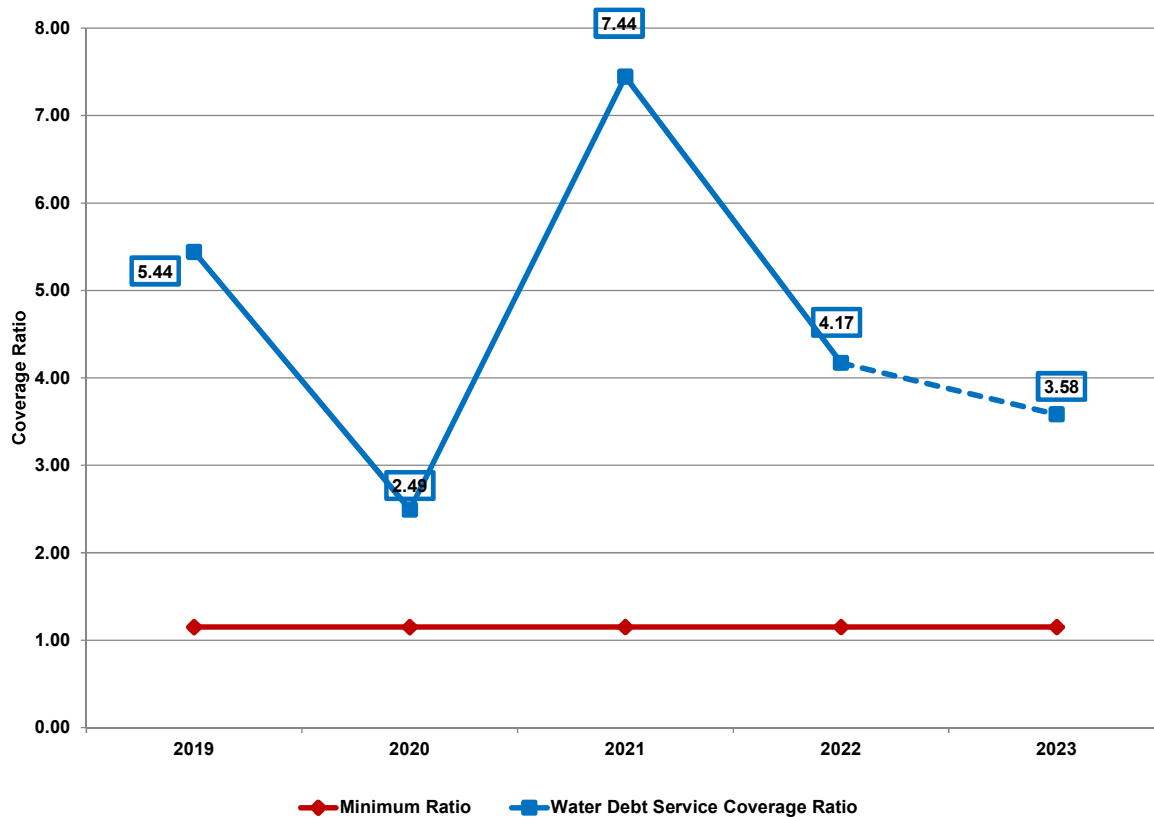
A condition of the 2011A/2016 Refunding Revenue Project Bonds issuance is the maintenance of a minimum debt service coverage ratio of 1.15%. The District has adopted a formal debt policy and no legal debt limit; however, the District's future borrowing capacity is limited by the debt coverage ratio required by existing bond covenants. The District's debt service coverage ratio for FY2022-23 is budgeted to 3.58 for Water and 3.33 for Wastewater.

The following pages illustrate the District's actual debt service coverage. Over the past several years, a concerted effort has been made to improve debt service ratios to stay well above the 1.15% debt service ratio required by bond covenants.

## Water Debt Service Ratio

	Actuals FY2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Projections FY 2021-22	Budget FY 2022-23
<b>Revenues</b>					
Water Sales:					
Potable	\$ 9,451,209	\$ 10,655,664	\$ 12,772,834	\$ 12,726,477	\$ 11,004,700
Recycle/Non-Potable	3,951,614	4,507,819	4,823,961	4,428,773	5,066,300
Water Sales to Pleasant Valley	678,598	1,340,423	1,669,579	1,648,800	1,261,500
Meter Service Charge	2,615,301	2,312,427	2,346,434	2,498,213	2,591,900
Special Services	145,904	69,266	25,378	48,037	55,000
Pump Zone Charges	46,658	46,037	55,411	64,171	52,000
Miscellaneous	8,356	4,272	69,331	-	-
Interest Revenues	540,721	502,387	108,987	55,692	55,000
Taxes	620,590	661,932	700,753	684,840	734,527
Mitigation & In-Lieu Fees	2,323,857	-	1,324,678	-	-
Capital Fees	1,986,350	9,825	55,825	-	-
<b>Total Revenues</b>	<b>\$ 22,369,158</b>	<b>\$ 20,110,052</b>	<b>\$ 23,953,171</b>	<b>\$ 22,155,003</b>	<b>\$ 20,820,927</b>
<b>Expenses</b>					
Production	\$ 8,972,416	\$ 10,717,210	\$ 12,810,991	\$ 11,591,913	\$ 9,257,790
Salaries & Benefits	2,520,434	2,858,529	2,323,040	2,419,450	2,952,956
Outside Contracts & Professional Services	674,103	979,417	809,835	2,460,911	2,873,445
Supplies & Services	1,837,441	1,784,825	1,733,313	2,123,123	2,706,324
<b>Total Expenses</b>	<b>\$ 14,004,394</b>	<b>\$ 16,339,981</b>	<b>\$ 17,677,179</b>	<b>\$ 18,595,397</b>	<b>\$ 17,790,515</b>
<b>Net Operating Revenues</b>	<b>\$ 8,364,764</b>	<b>\$ 3,770,071</b>	<b>\$ 6,275,992</b>	<b>\$ 3,559,606</b>	<b>\$ 3,030,412</b>
Debt Service	1,536,881	1,512,831	843,081	853,681	845,806
<b>Debt Service Coverage Ratio</b>	<b>5.44</b>	<b>2.49</b>	<b>7.44</b>	<b>4.17</b>	<b>3.58</b>

### Water Debt Coverage Ratio

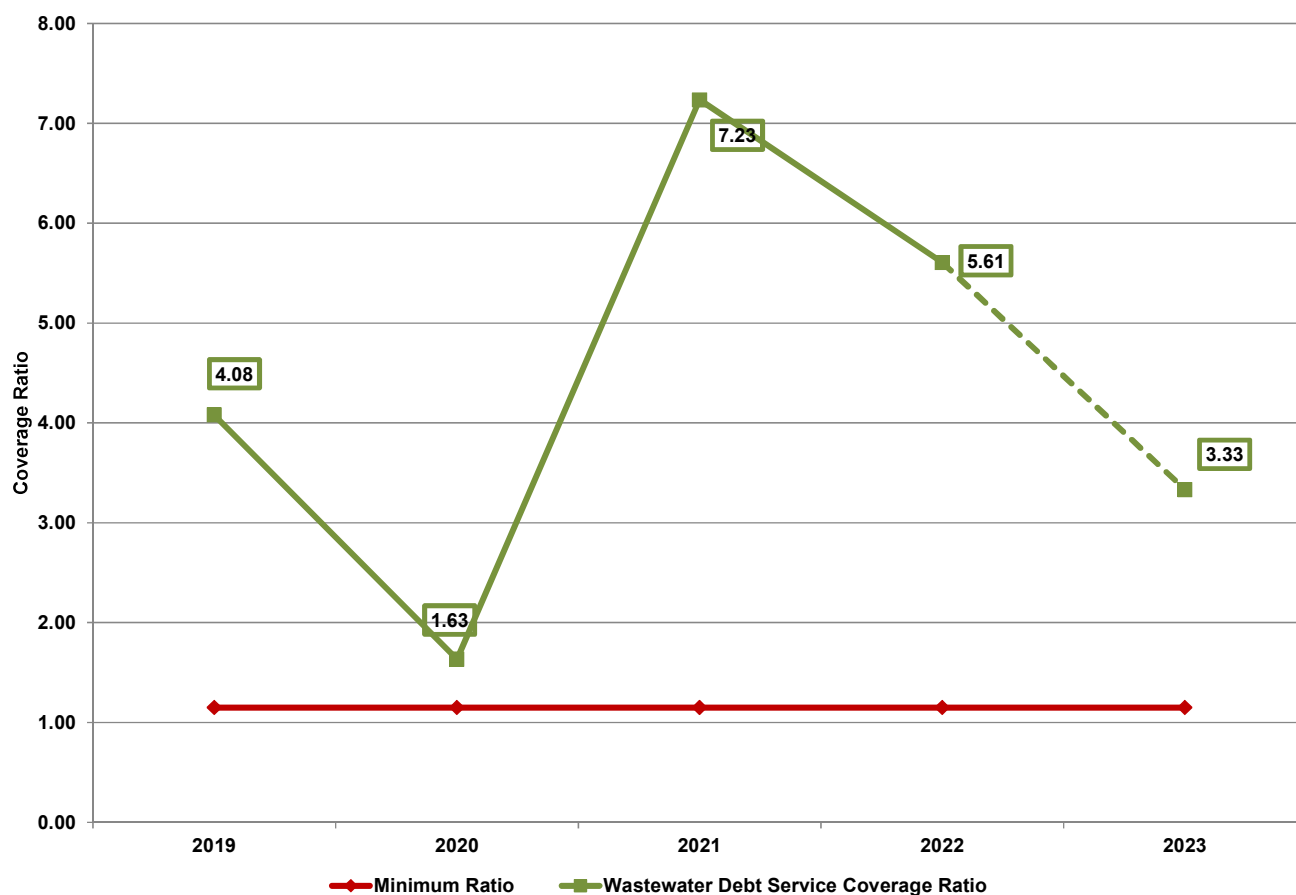


**Figure 17 – Historical Debt Service Coverage Ratios – Water**

## Wastewater Debt Service Ratio

	Actuals FY 2018-19	Actuals FY 2019-20	Actuals FY 2020-21	Projections FY 2021-22	Budget FY 2022-23
<b>Revenues</b>					
Sewer Service Charge	\$ 3,336,794	\$ 3,575,963	\$ 3,855,258	\$ 4,056,783	\$ 4,441,500
Special Services	78,564	28,691	4,545	14,597	17,000
Miscellaneous	899	1,301	818	7,947	-
Interest Revenues	236,871	153,524	32,608	12,909	13,000
Capital Fees	1,355,910	-	-	-	-
<b>Total Revenues</b>	<b>\$ 5,009,038</b>	<b>\$ 3,759,480</b>	<b>\$ 3,893,229</b>	<b>\$ 4,092,236</b>	<b>\$ 4,471,500</b>
<b>Expenses</b>					
Production	\$ 28,383	\$ 14,108	\$ 9,772	\$ 10,375	\$ 22,984
Salaries & Benefits	1,357,158	1,449,728	1,250,867	1,302,779	1,590,053
Outside Contracts & Professional Services	535,295	844,735	816,780	1,192,952	1,626,995
Supplies & Services	503,272	442,319	430,676	515,660	599,816
<b>Total Expenses</b>	<b>\$ 2,424,108</b>	<b>\$ 2,750,890</b>	<b>\$ 2,508,095</b>	<b>\$ 3,021,766</b>	<b>\$ 3,839,848</b>
<b>Net Operating Revenues</b>	<b>\$ 2,584,930</b>	<b>\$ 1,008,590</b>	<b>\$ 1,385,134</b>	<b>\$ 1,070,470</b>	<b>\$ 631,652</b>
Debt Service	633,250	617,150	191,450	190,950	189,525
<b>Debt Service Coverage Ratio</b>	<b>4.08</b>	<b>1.63</b>	<b>7.23</b>	<b>5.61</b>	<b>3.33</b>

### Wastewater Debt Coverage Ratio



**Figure 18 – Historical Debt Service Coverage Ratios – Wastewater**



## Five-Year Capital Outlay

The District has incorporated a five-year capital outlay forecast into the FY2022-23 Operating and Capital Budget. The forecast expands the operating budget by projecting capital and equipment expenditures. Included in the capital expenditures are expansion projects as well as improvement and replacement projects over the next five years. The Comprehensive Rate Study, completed in 2019, incorporated projects into the rate model to set the five-year schedule of rates and fees.

### Potable Water Capital Outlay

No.	Project Description	2022-2023 Budget	Mid-Year 2022-2023	FY 2024 Projection	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection	Total
<b>Potable Water Facilities</b>									
1	AMR AclaraOne + MTU Upgr Zone 2	462,000							\$ 462,000
2	Sampling Stations			100,000	500,000	500,000			\$ 1,100,000
3	<b>Reservoir Rehabilitation Program</b>								
4	Res 4C Hydro-pneumatic Pump Station			1,655,000					\$ 1,655,000
5	Res 4C Tank Replacement				2,440,000				\$ 2,440,000
6	Res 3A Tank Replacement - Potable						220,000	4,170,000	\$ 4,390,000
7	New Potable reservoir (1C)			495,000	3,382,500				\$ 3,877,500
8	<b>New Pump Station Program</b>								
9	Pump Station 1 to 2 @ MS#8				97,200	900,000			\$ 997,200
10	Pump Station 2 to 3D at MS#6						97,200	900,000	\$ 997,200
11	<b>Pump Station Replacement Program</b>								
12	3D Pump Station 5				600,000				\$ 600,000
13	Pump Station 1&2 - Mechanical						350,000		\$ 350,000
14	Distribution Valve Replacement		100,000	100,000	100,000	100,000	100,000	100,000	\$ 600,000
15	Cam Springs Waterline		150,000						\$ 150,000
16	Expand Santa Rosa Line to 24' (Upland Rd to San Rafael Way)			58,500	600,000				\$ 658,500
17	<b>New Well Design Program</b>								
18	CSCUI Back-up Well			3,000,000					\$ 3,000,000
19	PV Well # 3	180,000		7,820,000					\$ 8,000,000
20	2 Monitoring Wells (PV Basin)				540,000				\$ 540,000
21	SR #3 Utilization					100,000			\$ 100,000
22	<b>Well Rehabilitation Program</b>								
23	Well Rehabilitation Program			400,000		200,000		200,000	\$ 800,000
24	<b>Meter Station Replacement Program</b>								
25	Meter Station 11 & Pressure Relief Station Rehabilitation			290,000					\$ 290,000
26	Meter Station Replacement Program					200,000		150,000	\$ 350,000
27	<b>VFD Replacement Program</b>								
28	VFD Replacement Program			30,000	30,000	30,000	30,000	30,000	\$ 150,000
29	<b>Total Potable Water Facilities</b>	\$ 642,000	\$ 250,000	\$ 13,948,500	\$ 8,289,700	\$ 2,030,000	\$ 797,200	\$ 5,550,000	\$ 31,507,400

## Five-Year Capital Outlay (Continued)

### Non-Potable Water Capital Outlay

No.	Project Description	2022-2023 Budget	Mid-Year 2022-2023	FY 2024 Projection	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection	Total
<b>Non-Potable Water Facilities</b>									
1	Pond Improvements			110,000	1,500,000				\$ 1,610,000
2	<b>Reservoir Rehabilitation Program</b>								
3	AG3 Tank Replacement	150,000		660,000					\$ 810,000
4	Yucca Tank Replacement					135,000	425,000		\$ 560,000
5	Ag 2 tank recoating						150,000	150,000	\$ 300,000
6	<b>Pump Station Replacement Program</b>								
7	PS#4 Auxiliary Pump			65,000					\$ 65,000
8	Pump Station Replacement Program (PS4 then Pond Station)			420,000			425,000		\$ 845,000
9	<b>Non-Potable Pipeline Replacement Program</b>								
10	Non-Potable Distribution expansion			250,000	250,000	2,250,000	2,250,000		\$ 5,000,000
11	Non-Potable Pipeline Replacement Program			60,000	90,000	390,000		390,000	\$ 930,000
12	<b>Well Rehabilitation Program</b>								
13	Santa Rosa Well #10 Well Rehabilitation			230,000					\$ 230,000
14	NP Well Rehabilitation Program				250,000		250,000		\$ 500,000
15	VFD Replacement Program			50,000	50,000	50,000	50,000	50,000	\$ 250,000
16	MCC Replacement Program			300,000	520,000	240,000			\$ 1,060,000
17	<b>Total Non-Potable Water Facilities</b>	\$ 150,000	\$ 0	\$ 2,145,000	\$ 2,660,000	\$ 3,065,000	\$ 3,550,000	\$ 590,000	\$ 12,160,000

### Wastewater Capital Outlay

No.	Project Description	2022-2023 Budget	Mid-Year 2022-2023	FY 2024 Projection	FY 2025 Projection	FY 2026 Projection	FY 2027 Projection	FY 2028 Projection	Total
<b>Wastewater Facilities</b>									
1	CWRF PLC Replacement			175,000	700,000				\$ 875,000
2	Dewatering Press			850,000					\$ 850,000
3	Smart Covers Sewer Manholes			90,000	90,000	90,000	90,000	90,000	\$ 450,000
6	New CWRF Generator			400,000					\$ 400,000
7	<b>Sewer Lift MCC &amp; Rehabilitation</b>								
8	Sewer Lift 4 MCC & Rehabilitation			360,000					\$ 360,000
9	Sewer Lift MCC & Rehabilitation ( 3 & 2)							360,000	\$ 360,000
10	<b>Collection System Replacement</b>								\$ -
11	Collection System Hot Spots	330,000			330,000		330,000		\$ 990,000
12	Bar Screen Replacement	500,000		-					\$ 500,000
13	<b>Total Wastewater Facilities</b>	\$ 830,000	\$ 0	\$ 1,875,000	\$ 1,120,000	\$ 90,000	\$ 420,000	\$ 450,000	\$ 4,785,000
14	<b>Total General Projects</b>	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,250,000
15	<b>Grand Total Projects &amp; Fixed Assets</b>	1,622,000	250,000	18,218,500	12,319,700	5,435,000	5,017,200	6,840,000	49,702,400

## Five-Year Financial Forecast

The District has incorporated a five-year financial forecast into the FY2022-23 Operating and Capital Budget. The financial forecast expands the operating budget by projecting operational results, capital and equipment expenditures, and the District's reserve balances by Fund. Included in the capital expenditures are expansion projects as well as improvement and replacement projects over the next five years.

### Potable Water Program Operating Budget

#### **Assumptions:**

- **Water Revenue.** The commodity and meter service charge revenue projections incorporate the adopted rates through July 2023. The following is the projected timeline of upcoming development incorporated into the five-year forecast:
  - Shea Homes: FY2023-24; 105 AFY potable sales, 150 MSF
  - Pegh Investments: FY2023-24 48.3 AFY potable sales, 8 MSF
- **Continued Increased Cost of Imported Water.** MWD and CMWD have prepared long-range finance plans that provide projected imported water rates. The District's adopted five-year rate schedule incorporated the increase of imported water through June 2024. The forecast assumes a pass-thru of the cost increase of imported water beginning in FY2025 assuming the board will adjust rates for the cost of import water. The following are the projected imported commodity water rate increases from MWD and CMWD:
  - 2023 – 4.5%, \$1,632/AF
  - 2024 – 5.0%, \$1,714/AF
  - 2025 – 5.4%, \$1,806/AF
  - 2026 – 6.0%, \$1,914/AF
  - 2027 – 5.4%, \$2,018/AF
- **Continued Increased Costs of Imported Fixed Charges.** In addition to the projected imported Tier 1 rate increases from MWD and CMWD, increases are also projected for the fixed charges, which is a combination of a capacity-reservation charge and a readiness-to-serve charge. The District's adopted five-year rate schedule incorporated the increase of imported water through June 2024. The forecast assumes a pass-thru of the cost increase of imported fixed charges beginning in FY2025 assuming the board will adjust rates for the cost of imported fixed charges. The following are the projected fixed charges from MWD and CMWD:
  - 2023 – 6.7%, \$ 974,290
  - 2024 – 14.2%, \$1,112,841
  - 2025 – 10.5%, \$1,229,520
  - 2026 – 6.8%, \$1,313,018
  - 2027 – 3.2%, \$1,355,615
- **Reduction of Imported Water Purchases.** The FY2022-23 operating budget blend ratio of imported water is currently at 53%. The completion of PV Well #2 in winter of 2022 and completing the Conejo Wellfield GAC treatment plant and returning that local resource to service should combine to reduce imported purchases to 63% in FY2023-24. Optimizing and maintaining our other local potable sources (the RMWTP, Penny Well, Tierra Rejada Well, etc.) is critical to keeping imported volumes and costs low.
- **Increase of Production Power.** As a result of the development of the local water resource projects described above, local production power will increase beginning in FY2023-24. In addition to the increase of production power for these projects, the forecast incorporates an annual three-percent increase for power costs beginning in FY2023-24.
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase 3% annually beginning in FY2023-24.
- **Other Income.** Interest Income, Property Tax, Special Services, and Miscellaneous Income are projected to remain at the current FY2022-23 levels with no increases.

- **Rate Stabilization Fund.** The forecast does not include contributions the to the rate stabilization fund as a result of contributing to the capital replacement fund for capital outlay projects. The target level of \$1,200,000 projected from the 2019 Rate Study and the current balance is \$270,625.
- **Capital Replacement Contribution.** The contribution to the capital replacement program is projected to continue into FY2023-24 in the amount of \$2,580,000 and decrease to \$2,250,000 in FY2027-28. Capital replacement contributions are utilized for infrastructure improvements and rehabilitation projects and transferred to the capital replacement fund. The projected balance is \$785,916 in comparison to the target level of \$6,400,000 projected from the 2019 Rate Study.

Potable Water Program Operations						
	2023 Budget	2024 Projection 7/1/24 last rate increase	2025 Projection pass-through	2026 Projection pass-through	2027 Projection pass-through	2028 Projection pass-through
<b>Operating Revenue</b>						
Water Sales						
Potable Water Sales	11,004,700	13,327,100	13,327,100	13,327,100	13,327,100	13,327,100
Meter Service Charge	2,465,300	2,643,600	2,643,600	2,643,600	2,643,600	2,643,600
Special Services	30,000	30,000	30,000	30,000	30,000	30,000
Pump Zone/Miscellaneous	31,000	31,000	31,000	31,000	31,000	31,000
<b>Total Operating Revenue</b>	<b>\$ 13,531,000</b>	<b>\$ 16,031,700</b>	<b>\$ 16,031,700</b>	<b>\$ 16,031,700</b>	<b>\$ 16,031,700</b>	<b>\$ 16,031,700</b>
<b>Non-Operating Revenue</b>						
Property Tax	440,716	440,700	440,700	440,700	440,700	440,700
Interest Income	40,000	40,000	40,000	40,000	40,000	40,000
<b>Total Non-Operating Revenue</b>	<b>\$ 480,716</b>	<b>\$ 480,700</b>	<b>\$ 480,700</b>	<b>\$ 480,700</b>	<b>\$ 480,700</b>	<b>\$ 480,700</b>
<b>Total Potable Program Revenue</b>	<b>\$ 14,011,716</b>	<b>\$ 16,512,400</b>	<b>\$ 16,512,400</b>	<b>\$ 16,512,400</b>	<b>\$ 16,512,400</b>	<b>\$ 16,512,400</b>
<b>Potable Program Expenditures</b>						
Water Purchases	6,050,062	5,822,000	5,828,800	5,835,800	5,843,000	5,543,600
Production Power	840,781	1,146,000	1,179,700	1,213,500	1,251,400	1,208,000
Operations and Maintenance	5,581,044	6,126,170	6,194,109	6,346,522	6,503,144	6,664,092
<b>Total Potable Program Expenses</b>	<b>\$ 12,471,887</b>	<b>\$ 13,094,170</b>	<b>\$ 13,202,609</b>	<b>\$ 13,395,822</b>	<b>\$ 13,597,544</b>	<b>\$ 13,415,692</b>
<b>Rate Stabilization Contribution</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Replacement Contribution</b>	<b>\$ 710,000</b>	<b>\$ 2,580,000</b>	<b>\$ 2,475,000</b>	<b>\$ 2,255,000</b>	<b>\$ 2,060,000</b>	<b>\$ 2,250,000</b>
<b>Debt Service Obligation</b>						
2011A/2016 Water and Wastewater Project	815,588	821,677	814,961	827,514	821,771	827,793
<b>Total Debt Services</b>	<b>815,588</b>	<b>821,677</b>	<b>814,961</b>	<b>827,514</b>	<b>821,771</b>	<b>827,793</b>
➤ <b>Net Operating Results less Debt Service</b>	<b>\$ 14,241</b>	<b>\$ 16,553</b>	<b>\$ 19,830</b>	<b>\$ 34,064</b>	<b>\$ 33,085</b>	<b>\$ 18,915</b>

**Table 1 – Projected Potable Water Operations**

## Potable Water Program Reserves

The long-term financial forecast of the Potable Water Program's operating budget reflects a contribution to the Potable Capital Replacement Fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and require use of the reserve funds.

The following tables depict the Potable Water Program's Net Operating Results, and the sources and uses of the reserve funds of the Potable Capital Replacement and Potable Capital Improvement Fund.

- **Capital Replacement Contribution.** The capital replacement contribution is budgeted in the potable water program and transferred to the capital replacement fund for replacing aging infrastructure.
- **Fund Balance.** The projected fund balance in FY2027-28 is \$785,916. The 2019 rate study set a target level of \$6,400,000 by the end of the fifth year of rate increases. Based on the capital outlay projects the potable replacement will fund a portion of the improvement projects in FY2023-24 as a result of the depletion of the capital improvement fund.

Potable Capital Replacement Fund						
	2023 Budget	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
<b>Source of Funds</b>						
Capital Replacement Contribution	710,000	2,580,000	2,475,000	2,255,000	2,060,000	2,250,000
<b>Total Sources</b>	<b>\$ 710,000</b>	<b>\$ 2,580,000</b>	<b>\$ 2,475,000</b>	<b>\$ 2,255,000</b>	<b>\$ 2,060,000</b>	<b>\$ 2,250,000</b>
<b>Use of Funds</b>						
Replacement Projects	462,000	11,572,791	8,289,700	2,030,000	797,200	5,550,000
General Projects/Fixed Assets	-	84,500	84,500	84,500	84,500	84,500
<b>Total Uses</b>	<b>\$ 462,000</b>	<b>\$ 11,657,291</b>	<b>\$ 8,374,200</b>	<b>\$ 2,114,500</b>	<b>\$ 881,700</b>	<b>\$ 5,634,500</b>
Net Annual Cash Balance	248,000	(9,077,291)	(5,899,200)	140,500	1,178,300	(3,384,500)
Beginning Unrestricted Fund Balance	17,580,107	17,828,107	8,750,816	2,851,616	2,992,116	4,170,416
<b>Net Cumulative Fund Balance</b>	<b>\$ 17,828,107</b>	<b>\$ 8,750,816</b>	<b>\$ 2,851,616</b>	<b>\$ 2,992,116</b>	<b>\$ 4,170,416</b>	<b>\$ 785,916</b>

**Table 2 – Projected Potable Capital Replacement Fund**



## Potable Water Program Reserves (Continued)

- **Developer Contributions.** The District is not projecting any upcoming development contributing connection fees due to the uncertainty of the current economic conditions, as well as the proposed developments are small in nature.
- **Grant Funds.** The District anticipates final grant reimbursement for DWR Prop. 84 related to PV Well #2 upon completion of the project.
- **Fund Balance.** The capital improvement projects will have depleted the fund balance of the potable capital improvement fund and the remaining projects will be funded from the potable capital replacement fund beginning in FY2023-24. Should development occur this would provide developer contributions towards these projects.

	Potable Capital Improvement Fund					
	2023 Budget	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
<b>Source of Funds</b>						
Developer Contributions	-	-	-	-	-	-
Grant Funds	-	83,822	-	-	-	-
<b>Total Sources</b>	-	83,822	-	-	-	-
<b>Use of Funds</b>						
Improvement Projects	180,000	2,625,709	-	-	-	-
<b>Total Uses</b>	\$ 180,000	\$ 2,625,709	\$ -	\$ -	\$ -	\$ -
Net Annual Cash Balance	(180,000)	(2,541,887)	-	-	-	-
Mitigation Fee Fund Balance	1,324,678	-	-	-	-	-
Beginning Unrestricted Fund Balance	1,397,209	2,541,887	-	-	-	-
<b>Net Cumulative Fund Balance</b>	2,541,887	-	-	-	-	-

**Table 3 – Projected Potable Capital Improvement Fund**

## Non-Potable Water Program Operating Budget

### Assumptions:

- **Water Revenue.** Both the commodity and meter service charge revenue projections incorporate the adopted rates through July 2023. The financial forecast assumes limited growth. While recycled water sales were higher than anticipated in FY2021-22 due to sales of CamSan water to PVCWD, it is unclear how consistent such volumes from CamSan will be on an annual basis and how many more years the CamSan arrangement will last, dependent as it is on expansion of the City of Camarillo's recycled distribution system. The following is the projected timeline of upcoming development incorporated into the five-year forecast:
  - Pegh Investments: FY2023-24; 21 AFY non-potable sales; 8 MSF
- **Continued Increased Cost of Imported Water.** The non-potable water program purchases imported water to blend with local non-potable groundwater to reduce chlorides for some of the District's agricultural customers. As stated above in the potable water program, MWD and CMWD's imported water rate increase projections have been incorporated into the five-year financial forecast.
- **Non-Potable/Recycled Water Purchases.** In addition to imported water purchases, the non-potable program purchases non-potable water, which is diverted through the Conejo Creek Diversion, from the City of Thousand Oaks. The increase of the non-potable water is estimated at 3% annually.
- **Increased Cost of Production Power.** Power production costs are projected to increase annually by 3%.
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase 3% annually.
- **Other Income.** Interest Income, Property Tax, Special Services, and Miscellaneous Income are projected to remain at the current FY2022-23 levels with no increases.
- **Rate Stabilization Fund.** The District anticipates contributions to the Rate Stabilization Fund in meeting the target level \$550,280 in FY2022-23, 10% of the commodity water sales. The target set in the 2019 rate study was approximately \$320,000.
- **Capital Replacement Contribution.** The contribution to the capital replacement program is to increase upwards to \$1,800,000 in FY2023-24 thereafter gradually declines to \$1,365,000 in FY2027-28. Capital replacement contributions are utilized for infrastructure improvements and rehabilitation projects and transferred to the capital replacement fund.

Non-Potable Water Program Operations						
	2023 Budget	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
	last rate increase					
<b>Operating Revenue</b>						
Recycle/Non-Potable	5,066,300	5,502,800	5,502,800	5,502,800	5,502,800	5,502,800
Water Sales to PV	1,261,500	1,337,100	1,377,200	1,418,500	1,461,100	1,505,000
Meter Service Charge	126,600	132,500	136,200	136,200	136,200	136,200
Special Services	25,000	25,000	25,000	25,000	25,000	25,000
Pump Zone/Miscellaneous	21,000	21,000	21,000	21,000	21,000	21,000
<b>Total Operating Revenue</b>	<b>\$ 6,500,400</b>	<b>\$ 7,018,400</b>	<b>\$ 7,062,200</b>	<b>\$ 7,103,500</b>	<b>\$ 7,146,100</b>	<b>\$ 7,190,000</b>
Property Tax	293,811	293,811	293,811	293,811	293,811	293,811
Interest Income	15,000	15,000	15,000	15,000	15,000	15,000
<b>Non-Operating Revenue</b>	<b>\$ 308,811</b>	<b>\$ 308,811</b>	<b>\$ 308,811</b>	<b>\$ 308,811</b>	<b>\$ 308,811</b>	<b>\$ 308,811</b>
<b>Total Non-Potable Program Revenue</b>	<b>\$ 6,809,211</b>	<b>\$ 7,327,211</b>	<b>\$ 7,371,011</b>	<b>\$ 7,412,311</b>	<b>\$ 7,454,911</b>	<b>\$ 7,498,811</b>
<b>Non-Potable Program Expenditures</b>						
Water Purchases	1,502,764	1,568,406	1,632,826	1,684,300	1,708,589	1,733,605
Production Power	864,183	893,842	920,502	947,076	973,561	1,005,163
Operations and Maintenance	2,951,681	3,021,777	3,100,985	3,182,341	3,265,904	3,351,735
<b>Total Non-Potable Program Expenses</b>	<b>\$ 5,318,628</b>	<b>\$ 5,484,026</b>	<b>\$ 5,654,314</b>	<b>\$ 5,813,717</b>	<b>\$ 5,948,053</b>	<b>\$ 6,090,504</b>
<b>Rate Stabilization Contribution</b>	<b>\$ 70,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Replacement Contribution</b>	<b>\$ 1,387,000</b>	<b>\$ 1,800,000</b>	<b>\$ 1,675,000</b>	<b>\$ 1,555,000</b>	<b>\$ 1,465,000</b>	<b>\$ 1,365,000</b>
<b>Debt Service Obligation</b>						
2011A/2016 Water and Wastewater Project	30,218	30,354	29,970	30,805	30,460	30,826
<b>Total Debt Services</b>	<b>\$ 30,218</b>	<b>\$ 30,354</b>	<b>\$ 29,970</b>	<b>\$ 30,805</b>	<b>\$ 30,460</b>	<b>\$ 30,826</b>
<b>Net Operating Results less Debt Service</b>	<b>\$ 3,365</b>	<b>\$ 12,831</b>	<b>\$ 11,727</b>	<b>\$ 12,789</b>	<b>\$ 11,398</b>	<b>\$ 12,481</b>

**Table 4 – Projected Non-Potable Water Operations**

## Non-Potable Water Program Reserves

The long-term financial forecast of the Non-Potable Water Program's operating budget reflects a contribution to the non-potable capital replacement fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and the use of the capital replacement funds. The non-potable program does not have developer connection fees therefore the non-potable capital improvement fund is not reflected.

The following tables depict the Non-Potable Water contributions to the replacement fund, and the sources and uses of the reserve funds.

- **Fund Balance.** The projected fund balance in the amount of \$1,197,648 by FY2027-28. The projected target level set in the 2019 rate study was \$1,800,000 in FY2023-24.

Non-Potable Capital Replacement Fund						
	2023 Budget	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
<b>Source of Funds</b>						
Capital Replacement Contribution	1,387,000	1,800,000	1,675,000	1,555,000	1,465,000	1,365,000
Grant Funds	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$ 1,387,000</b>	<b>\$ 1,800,000</b>	<b>\$ 1,675,000</b>	<b>\$ 1,555,000</b>	<b>\$ 1,465,000</b>	<b>\$ 1,365,000</b>
<b>Use of Funds</b>						
Replacement Projects	150,000	2,145,000	2,660,000	3,065,000	3,550,000	590,000
General Projects/Fixed Assets	0	78,000	78,000	78,000	78,000	78,000
<b>Total Uses</b>	<b>\$ 150,000</b>	<b>\$ 2,223,000</b>	<b>\$ 2,738,000</b>	<b>\$ 3,143,000</b>	<b>\$ 3,628,000</b>	<b>\$ 668,000</b>
Net Annual Cash Balance	1,237,000	(423,000)	(1,063,000)	(1,588,000)	(2,163,000)	697,000
Non-Potable Water In-lieu Fees Fund Balance	318,538					
Beginning Unrestricted Fund Balance	4,182,110	5,737,648	5,314,648	4,251,648	2,663,648	500,648
<b>Net Cumulative Fund Balance</b>	<b>\$ 5,737,648</b>	<b>\$ 5,314,648</b>	<b>\$ 4,251,648</b>	<b>\$ 2,663,648</b>	<b>\$ 500,648</b>	<b>\$ 1,197,648</b>

**Table 5 – Projected Non-Potable Capital Replacement Fund**

## Wastewater Program Operating Budget

### Assumptions:

- **Sewer Service Charge.** The current wastewater rate adopted in July 2021 is incorporated in the wastewater operating revenue through July 2023. The following is the projected timeline of upcoming development incorporated into the five-year forecast:
  - Shea Homes: FY2023-24; 150 EDUs
  - Pegh Investments: FY2023-24; 8 EDUs
- **Operational & Maintenance Expenses.** Operational and maintenance expenses are projected to increase an average of 2.5% annually beginning in FY2023-24.
- **Rate Stabilization Fund.** The District does not anticipate contributing to the Rate Stabilization Fund in FY2023-24 and forward, as the five-year capital outlay will utilize these funds. The target level set in the 2019 rate study was in the amount of \$280,000 and the current balance is \$263,750.
- **Capital Replacement Contribution.** The contribution to the capital replacement program is projected in the amount of \$685,000 in FY2022-23 and decrease down to \$300,000 FY2027-28. Capital replacement contributions are utilized for infrastructure improvements and rehabilitation projects and transferred to the capital replacement fund.

Wastewater Program Operations						
	2023 Budget	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
	Last rate increase					
<b>Operating Revenue</b>						
Sewer Service Charge	4,441,500	4,789,200	4,801,000	4,813,000	4,825,200	4,837,100
Special Services	17,000	17,000	17,000	17,000	17,000	17,000
<b>Total Operating Revenue</b>	<b>\$4,458,500</b>	<b>\$ 4,806,200</b>	<b>\$ 4,818,000</b>	<b>\$ 4,830,000</b>	<b>\$ 4,842,200</b>	<b>\$ 4,854,100</b>
<b>Non-Operating Revenue</b>						
Interest Income	13,000	13,000	13,000	13,000	13,000	13,000
<b>Total Non-Operating Revenue</b>	<b>\$ 13,000</b>	<b>\$ 13,000</b>	<b>\$ 13,000</b>	<b>\$ 13,000</b>	<b>\$ 13,000</b>	<b>\$ 13,000</b>
<b>Total Wastewater Program Revenue</b>	<b>\$4,471,500</b>	<b>\$ 4,819,200</b>	<b>\$ 4,831,000</b>	<b>\$ 4,843,000</b>	<b>\$ 4,855,200</b>	<b>\$ 4,867,100</b>
<b>Wastewater Program Expenditures</b>						
Salinity Management Pipeline-Calleguas	22,984	23,000	23,000	23,000	23,000	23,000
Operations and Maintenance	3,816,864	3,913,489	4,012,813	4,116,270	4,222,492	4,331,556
<b>Total Wastewater Program Expenses</b>	<b>3,839,848</b>	<b>3,936,489</b>	<b>4,035,813</b>	<b>4,139,270</b>	<b>4,245,492</b>	<b>4,354,556</b>
<b>Rate Stabilization Contribution</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Replacement Contribution</b>	<b>\$ 440,000</b>	<b>\$ 685,000</b>	<b>\$ 590,000</b>	<b>\$ 500,000</b>	<b>\$ 400,000</b>	<b>\$ 300,000</b>
<b>Debt Service Obligation</b>						
2011A\2016 Water and Wastewater Project	189,525	187,900	191,700	190,613	189,750	194,525
<b>Total Debt Services</b>	<b>\$ 189,525</b>	<b>\$ 187,900</b>	<b>\$ 191,700</b>	<b>\$ 190,613</b>	<b>\$ 189,750</b>	<b>\$ 194,525</b>
<b>Net Operating Results less Debt Service</b>	<b>\$ 2,127</b>	<b>\$ 9,811</b>	<b>\$ 13,487</b>	<b>\$ 13,117</b>	<b>\$ 19,958</b>	<b>\$ 18,019</b>

Table 6 – Projected Wastewater Operations



## Wastewater Program Reserves

The long-term financial forecast of the Wastewater Program's operating budget reflects a contribution to the non-potable capital replacement fund through the Net Operating Results. Staff has incorporated anticipated capital outlay projects that will occur in the five-year financial forecast and the use of the capital replacement and improvement funds.

- **Fund Balance.** Based on the five-year capital outlay the projects the projected fund balance is in the amount of \$18,469 by FY2027-28. The projected target level set in the 2019 rate study was \$3,200,000 in FY2023-24.

Wastewater Capital Replacement Fund						
	2023 Budget	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
<b>Source of Funds</b>						
Capital Replacement Contribution	440,000	685,000	590,000	500,000	400,000	300,000
Transfer In Capital Improvement	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$ 440,000</b>	<b>\$ 685,000</b>	<b>\$ 590,000</b>	<b>\$ 500,000</b>	<b>\$ 400,000</b>	<b>\$ 300,000</b>
<b>Use of Funds</b>						
Replacement Projects	830,000	1,790,544	1,120,000	90,000	420,000	450,000
General Projects/Fixed Assets	-	87,500	87,500	87,500	87,500	87,501
<b>Total Uses</b>	<b>\$ 830,000</b>	<b>\$ 1,878,044</b>	<b>\$ 1,207,500</b>	<b>\$ 177,500</b>	<b>\$ 507,500</b>	<b>\$ 537,501</b>
Net Annual Cash Balance	(390,000)	(1,193,044)	(617,500)	322,500	(107,500)	(237,501)
Beginning Unrestricted Fund Balance	2,241,514	1,851,514	658,470	40,970	363,470	255,970
<b>Net Cumulative Fund Balance</b>	<b>\$ 1,851,514</b>	<b>\$ 658,470</b>	<b>\$ 40,970</b>	<b>\$ 363,470</b>	<b>\$ 255,970</b>	<b>\$ 18,469</b>

**Table 7 – Projected Wastewater Capital Replacement Fund**

## Wastewater Program Reserves (Continued)

- **Developer Contributions.** The Wastewater Capital Improvement Fund receives revenue from development projects. The District is not projecting any upcoming development contributing connection fees due to the uncertainty of the current economic conditions and to the fact that the proposed developments are small in nature.
- **Fund Balance.** The capital improvement projects will have depleted the fund balance of the wastewater capital improvement fund and the remaining projects will be funded from the wastewater capital replacement fund beginning in FY2023-24. Should development occur this would provide developer contributions towards these projects.

Wastewater Capital Improvement Fund						
	2023 Budget	2024 Projection	2025 Projection	2026 Projection	2027 Projection	2028 Projection
<b>Source of Funds</b>						
Developer Contributions	-	-	-	-	-	-
<b>Total Sources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Use of Fund</b>						
Improvement Projects	-	84,456	-	-	-	-
<b>Total Uses</b>	<b>\$ -</b>	<b>\$ 84,456</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Net Annual Cash Balance	-	(84,456)	-	-	-	-
Beginning Unrestricted Fund Balance	84,456	84,456	-	-	-	-
<b>Net Cumulative Fund Balance</b>	<b>\$ 84,456</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Table 8 – Projected Wastewater Capital Improvement Fund**

## Appendices

**Santa Rosa GSA  
Annual Budget  
FY2021-22**

	Object Code	FY21-22 Budget
<b>Transfer In</b>		
JPA Member Assessment Replenishment Fee		\$ 338,019
<b>TOTAL TRANSFER FEE</b>		<b>\$ 338,019</b>
<b>Administrative Fees</b>		
Communications	50210	\$ -
Outside Contracts	50220	\$ 8,000
Audio/Visual (four meetings)		\$ 3,000
Billing (process TBD)		\$ -
Contract Services		\$ -
Meter Calibration Program		\$ -
Meter Installation		\$ -
Room Rental (four meetings)		\$ 5,000
Professional Services	50230	\$ 306,394
Auditing Services		\$ 1,500
Engineering Services (GSP through 12/31/2022)		\$ 304,894
Materials & Supplies	50260	\$ 8,600
Check stock		\$ 500
General Postage		\$ 100
Stakeholder supplies		\$ 1,000
Printing & Mailing		\$ 5,000
Public Hearing Notification		\$ 1,500
Office supplies		\$ 500
Legal Services	50280	\$ 10,000
Dues & Subscriptions	50290	\$ 1,400
ACWA		\$ 1,400
Conference & Travel	50300	\$ 2,000
Safety & Training	50310	\$ -
Board Expense	50330	\$ -
Fees & Charges	50350	\$ 500
Banking fees		\$ 500
Insurance	50360	\$ 1,125
JPIA premiums		\$ 1,125
<b>TOTAL ADMINISTRATIVE FEES</b>		<b>\$ 338,019</b>

2022-23 Budget	Activity Code	FY 2021-22		FY 2022-23		Human Resources	General Administration	Info Systems	Rescue Pflng & Engin Ser.	Water Resource Management	Customer Services	Water Quality	Build/Grnds & Rolling Sltk	Potable Water	Non-Potable Water	WasteWater Services	Program Totals
		District Budget Combined	District Budget Combined	District Budget Combined	District Budget Combined												
Water Purchases	50010	\$ 7,868,165	\$ 5,610,474														
	50012	\$ 981,107	\$ 974,290											4,841,579	\$ 768,895		\$ 5,610,474
	50011	\$ 618,672	\$ 640,906											974,290			\$ 974,290
	50011	\$ 262,690	\$ 257,177											234,193	\$ 22,984		\$ 257,177
	50011	\$ -	\$ 92,963												\$ 92,963		\$ 92,963
	50020	\$ 1,453,425	\$ 1,704,964											840,781	\$ 864,183		\$ 1,704,964
Pumping Power		\$ 11,184,059	\$ 9,280,774											\$6,890,843	\$ 22,366,947		\$ 9,280,774
Salaries & Benefits:																	
Regular	50100	\$ 2,681,273	\$ 3,185,611														\$ 3,185,611
	50110	\$ 70,712	\$ 77,766														\$ 77,766
	50120	\$ 70,720	\$ 53,040														\$ 53,040
	50130	\$ 29,602	\$ 28,338														\$ 28,338
	50130	\$ 1,011,956	\$ 1,198,254														\$ 1,198,254
	50140	\$ 3,864,263	\$ 4,543,009														\$ 4,543,009
Outside Contracts		\$ 2,767,968	\$ 3,304,350														
Professional Services	50230	\$ 754,405	\$ 1,196,090														\$ 1,196,090
		\$ 3,522,373	\$ 4,500,440														\$ 4,500,440
	50200	\$ 98,500	\$ 100,700														\$ 100,700
	50210	\$ 66,800	\$ 75,500														\$ 75,500
	50240	\$ 465,000	\$ 490,000														\$ 490,000
	50250	\$ 31,850	\$ 33,350														\$ 33,350
Materials & Supplies(Small Tools, Equip & Equip Maint.)	50260	\$ 671,750	\$ 810,415														\$ 810,415
	50270	\$ 1,018,500	\$ 1,022,000														\$ 1,022,000
	50280	\$ 45,000	\$ 95,000														\$ 95,000
	50290	\$ 53,250	\$ 54,250														\$ 54,250
	50300	\$ 16,500	\$ 15,300														\$ 15,300
	50310	\$ 52,300	\$ 49,300														\$ 49,300
Safety & Training	50330	\$ 120,000	\$ 133,000														\$ 133,000
	50340	\$ 7,500	\$ 10,000														\$ 10,000
	50350	\$ 214,925	\$ 299,325														\$ 299,325
	50360	\$ 110,000	\$ 118,000														\$ 118,000
		\$ -	\$ -														\$ -
		\$ 2,971,875	\$ 3,306,140														\$ 3,306,140
Dues & Subscriptions																	
Conference & Travel	50300	\$ 16,500	\$ 15,300														\$ 15,300
	50310	\$ 52,300	\$ 49,300														\$ 49,300
	50330	\$ 120,000	\$ 133,000														\$ 133,000
	50340	\$ 7,500	\$ 10,000														\$ 10,000
	50350	\$ 214,925	\$ 299,325														\$ 299,325
	50360	\$ 110,000	\$ 118,000														\$ 118,000
Fees & Charges																	
Insurance	50360	\$ -	\$ -														\$ -
		\$ 2,971,875	\$ 3,306,140														\$ 3,306,140
		\$ 21,542,570	\$ 21,630,363														\$ 21,630,363
		\$ 118,600	\$ -														\$ -
		\$ 21,661,170	\$ 21,630,363														\$ 21,630,363
Fixed Assets:																	

Code		Combined	Combined	5	10	11	12	22	24	25	26	52	53	57
Benefits				\$4,543,009										
Salaries	50140	\$ 3,864,263	\$ 3,864,263	\$4,543,009										
Medical		\$ 2,852,307	\$ 2,852,307	\$3,344,755										\$3,344,755
Dental		\$ 486,959	\$ 486,959	\$ 607,119										\$607,119
Vision		\$ 26,123	\$ 26,123	\$ 32,096										\$32,096
Workman's Comp		\$ 5,163	\$ 5,163	\$ 5,989										\$5,989
Medicare		\$ 34,943	\$ 34,943	\$ 43,957										\$43,957
Social Security		\$ 41,357	\$ 41,357	\$ 48,496										\$48,496
PERS-Normal Cost		\$ 4,384	\$ 4,384	\$ 3,288										\$3,288
STD, LTD AND LIFE INSURANCE		\$ 392,569	\$ 392,569	\$ 433,241										\$433,241
Utilities		\$ 20,458	\$ 20,458	\$ 24,068										\$24,068
SCE	50200	\$ 98,500	\$ 98,500	\$ 100,700							\$28,700	\$57,000	\$0	\$15,000
Gas		\$ 49,000	\$ 49,000	\$ 49,000							27,000	7,000	15,000	49,000
Water- in-house		\$ 1,500	\$ 1,500	\$ 1,700							1,700			1,700
		\$ 48,000	\$ 48,000	\$ 50,000								50,000		50,000
Communications				\$75,500										
Answering Service	50210	\$ 66,800	\$ 66,800	\$ 75,500							\$0	\$0	\$0	\$0
ISP Internet & Cable News		\$ 5,000	\$ 5,000	\$ 5,000										5,000
Mobile Devices		\$ 16,000	\$ 16,000	\$ 17,000										17,000
Satellite Phones		\$ 30,000	\$ 30,000	\$ 36,000										36,000
VOIP Services (Verizon)		\$ 14,400	\$ 14,400	\$ 1,500										1,500
		\$ 1,400	\$ 1,400	\$ 16,000										16,000



Code		Combined	Combined	5	10	11	12	22	24	25	26	52	53	57
50220		\$ 2,767,968	\$ 3,304,350	\$18,600	\$19,200	\$606,950	\$256,000	\$15,000	\$76,000	\$72,500	\$330,000	\$705,800	\$382,300	\$822,000
Aerial Image Updates for GIS		\$ -	\$ 7,500			7,500								7,500
Air Conditioner Maintenance		\$ 4,500	\$ 5,500								5,500			5,500
Air Compressor Maintenance		\$ 13,500	\$ 13,500								1,500			13,500
Analyzer Maintenance (HACH)		\$ 12,000	\$ 30,000									6,000	3,000	3,000
Analyzer Maintenance (HACH) RMWTP		\$ 5,000	\$ 5,000									18,000		12,000
Backflow Testing		\$ 12,900	\$ 10,000									5,000	5,000	5,000
Barcode Maintenance		\$ 100,000	\$ 100,000									5,000		100,000
Cyber Endpoint Detection & Response-All(Connected)		\$ 58,000	\$ 18,500			18,500								100,000
Consumer Confidence Rpt		\$ 500	\$ 500											18,500
Converting AsBults to GIS		\$ 3,000	\$ 3,000			3,000						500		500
County Cross-Connection Program		\$ 30,000	\$ 17,100			3,400								3,000
County ShapeFile Updates		\$ 3,400	\$ 3,400									8,550	8,550	17,100
Courier Service		\$ 7,000	\$ 6,000						6,000					6,000
Customer Receipt Proc. Svcs		\$ 11,000	\$ 10,000						10,000					3,400
Dig Alert (USA-Underground Svc Alert)		\$ 6,000	\$ 6,000											6,000
Distribution Maintenance		\$ 190,000	\$ 250,000				6,000					200,000	50,000	250,000
DOT Random Survey		\$ 1,000	\$ 1,000	1,000										1,000
Employment Background/Physical		\$ 2,200	\$ 2,200	2,200										2,200
Facility Tour contracts (tent, bus, sound)		\$ -	\$ 10,000		10,000						10,000			10,000
General Labor		\$ 11,000	\$ 11,000			100,000							1,000	11,000
GIS Support Contract		\$ -	\$ 100,000											100,000
Grounds Cleaning		\$ 40,000	\$ 40,000											40,000
Hepatitis Shots		\$ 400	\$ 400	400										400
Hydrant Repair/Maint.		\$ 40,000	\$ 40,000											40,000
Incude Out of Scope		\$ 8,000	\$ 8,000			8,000			60,000			40,000		8,000
Info Send		\$ 60,000	\$ 60,000											60,000
Info Send-Insert Mailing		\$ 3,700	\$ 3,700		700			3,000						3,700
Information Systems Support & Maintenance		\$ 15,000	\$ 15,000			15,000								15,000
Inspection Services		\$ 150,000	\$ 250,000				250,000							250,000
IT Managed Service Provider (All Connected)		\$ -	\$ 192,000			192,000								192,000
Janitor Service		\$ 21,000	\$ 25,000								25,000			25,000
Lab waste disposal		\$ 8,000	\$ 10,000							10,000				10,000
Landscape Surveys		\$ 5,000	\$ 5,000					5,000						5,000
Landscaping		\$ 24,000	\$ 24,000								24,000			24,000
Leak Detection		\$ 60,000	\$ -											-
Maintenance Support - Aconrics Enterprise Backup		\$ 6,500	\$ 6,500			6,500								6,500
Maintenance Support - Adobe Stock & Create		\$ 600	\$ -											-
Maintenance Support- AMR (Adara)		\$ 14,700	\$ 25,500			25,500								25,500
Maintenance Support- ArcGIS Desktop Basic (ESRI)		\$ 14,000	\$ 14,000			14,000								14,000
Maintenance Support- GIS		\$ 45,000	\$ 80,000			80,000								80,000
Maintenance Support- DigSmart Ticketing Annual Maint		\$ 4,000	\$ 4,000			4,000								4,000
Maintenance Support - Eagle Aerial		\$ 8,500	\$ 8,500			8,500								8,500
Maintenance Support-Fortnite 24/7 Router/Firewall Support		\$ 8,300	\$ 8,300			8,300						4,250	4,250	8,300
Maintenance Support - Granicus		\$ 7,500	\$ 7,500			7,500								7,500
Maintenance Support- Hosted DNS		\$ 1,500	\$ 1,550			1,550								1,550
Maintenance Support - Inflowater Hydraulic Modeling		\$ 3,050	\$ 3,050			3,050								3,050
Maintenance Support - O365 G3 Subscription		\$ 7,200	\$ 7,500			7,500								7,500
Maintenance Support- Tyler Software		\$ 17,000	\$ 28,000			28,000								28,000
Maintenance Support-ACAD (DLT/GDMS)		\$ 1,300	\$ 1,300			1,300								1,300
Maintenance Support-Carva (graphic design web site subscription)		\$ 240	\$ 240			240								240
Maintenance Support-Hootsuite (social media management tool)		\$ 228	\$ 400			400								400
Maintenance Support -SCADA Rockwell PLC Software		\$ 7,700	\$ 8,000			8,000								8,000
Maintenance Support-SCADA Software		\$ 25,000	\$ 30,000			30,000								30,000
Maintenance Support-SCADA TeamViewer		\$ 2,400	\$ 3,000			3,000								3,000
Maintenance Support- SCADA Win 911 Software		\$ 1,600	\$ 2,400			2,400								2,400
Maintenance Support - Thinking2 (website)		\$ 1,500	\$ 1,500			1,500								1,500
Maintenance Support - Zoom		\$ 3,000	\$ 1,500			1,500								1,500
Maintenance Support-Alchemy (Open Text)		\$ -	\$ 3,110			3,110								3,110
Maintenance Support-MaaS360 Mobile Device Mgmt		\$ 120,000	\$ 3,000			3,000								3,000
Manhole Rehabilitation		\$ 150,000	\$ 150,000									60,000	50,000	150,000
MCC IR Inspection and Cleaning		\$ 15,000	\$ 15,000									15,000		15,000
Meter Reading Services		\$ 150	\$ 1,800			1,800								1,800
Metroscan CoreLogic		\$ 60,000	\$ 62,500							62,500				62,500
Offsite Water Quality Testing		\$ 95,000	\$ 95,000											95,000
Painting/Industrial Cleaning		\$ 13,000	\$ 13,000								20,000	40,000	20,000	15,000
Pest		\$ 500	\$ 500		500						13,000			13,000
Production Copying		\$ 15,000	\$ 15,000											500
Production Meter Calibration and Repair		\$ 1,000	\$ 15,000		1,000									1,000
Public Hearing Notice Advertisement		\$ 2,500	\$ -											-
Public Outreach Events		\$ 210,000	\$ 210,000											210,000
Raise valve stackings		\$ 90,000	\$ 90,000									100,000	10,000	100,000
Reservoir Cleaning		\$ 70,000	\$ 70,000									60,000	30,000	90,000
Road Repair/Maint.		\$ 65,000	\$ 65,000								70,000			70,000
Sand Removal		\$ -	\$ -											-

Code	Combined		Combined	5	10	11	12	22	24	25	26	52	53	57	
	\$	\$													
SCADA Support Services	\$	70,000	\$	70,000											70,000
Security Service	\$	-	\$	2,000											2,000
Sewer Lift Maintenance	\$	10,000	\$	15,000							2,000				15,000
Sludge Pressing	\$	80,000	\$	100,000											100,000
Sludge Removal	\$	75,000	\$	80,000											80,000
TO Sewer Disposal Services	\$	14,000	\$	14,000											14,000
Tree and Site Maintenance	\$	39,500	\$	39,500							5,000		12,500		39,500
Trash Removal	\$	15,000	\$	15,000							6,000		3,000	6,000	15,000
Uniforms/Rug and Towel Service	\$	22,000	\$	22,000	15,000	7,000									22,000
Vehicle Lease	\$	101,000	\$	108,000							108,000				108,000
SSL Wildcard Certificates (Comodo)	\$	3,400	\$	3,400		3,400									3,400
Underground Utility Locating	\$	60,000	\$	-											-
VRSD	\$	140,000	\$	250,000										250,000	250,000
Water Softener	\$	2,500	\$	3,500								3,500			3,500
Water Loss Audit	\$	3,000	\$	3,000				3,000							3,000
Water Loss Control	\$	100,000	\$	50,000								50,000			50,000
Weed Abatement	\$	30,000	\$	40,000							40,000				40,000
Workflow App Annual Support	\$	12,000	\$	14,000		14,000									14,000
WUE Classes	\$	4,000	\$	4,000			4,000								4,000
<b>Professional Services</b>	\$	754,405	\$	1,196,090	\$10,000	\$661,090	\$0	\$75,000	\$0	\$30,000	\$0	\$320,000	\$70,000	\$30,000	\$1,196,090
Arbitrage	\$	3,000	\$	3,000		3,000									3,000
Audit	\$	26,155	\$	29,280		29,280									29,280
CAFR Review	\$	600	\$	600		600									600
CSMFO Budget Review	\$	150	\$	150		150									150
CSUCI Sting Study	\$		\$	180,000								180,000			180,000
Eastern PV Basin Hydrogeologic Study	\$	-	\$	25,000								25,000			25,000
Emergency Response Plan (AWIA)	\$	45,000	\$	-	10,000										-
Employee Handbook and Performance Review update	\$	10,000	\$	10,000											10,000
On-Call Engineering Services	\$	20,000	\$	75,000											75,000
Financial Advisor	\$	20,000	\$	20,000		20,000									20,000
Grant Applications (monitoring, applications, admin)	\$	20,000	\$	105,000		105,000									105,000
Investment Policy Review	\$	2,500	\$	3,060		3,060									3,060
Master Plan	\$	250,000	\$	500,000		500,000						45,000			500,000
Public Relations	\$		\$	45,000											45,000
Rate Consultant	\$	50,000	\$	-											-
Salts and Nutrient Management Plan	\$	93,000	\$	80,000								40,000	40,000		80,000
Santa Rosa Basin GSA	\$	150,000	\$	60,000								30,000	30,000		60,000
Sampling Station Renovation PDR	\$	30,000	\$	30,000						30,000					30,000
TMDL	\$	34,000	\$	30,000										30,000	30,000
<b>Pipeline Maintenance</b>	\$	465,000	\$	490,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$380,000	\$100,000	\$10,000	\$490,000
Unscheduled Leak Repairs	\$	465,000	\$	490,000								380,000	100,000	10,000	490,000
<b>Small Tools &amp; Equipment</b>	\$	31,850	\$	33,350	\$0	\$2,000	\$0	\$850	\$0	\$3,000	\$2,000	\$20,000	\$4,500	\$1,000	\$33,350
Ergonomic office equipment	\$	2,750	\$	2,000		2,000									2,000
Hand Tools	\$	24,100	\$	24,100				850		750	2,000	15,000	4,500	1,000	24,100
RMWTP-Hand Tools	\$	5,000	\$	5,000								5,000			5,000
Sampling Tools	\$	-	\$	2,250						2,250					2,250

Code		Combined	Combined	5	10	11	12	22	24	25	26	52	53	57
50260		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Materials &amp; Supplies</b>														
Argon Gas/Welding Gas		\$	\$	\$										
Art Calendar Contest Supplies		\$	\$	\$										
Business Cards		\$	\$	\$										
Check Stock/Tax Forms		\$	\$	\$	800									
Chemicals (Ammonia, Alum, Reagents, Misc)		\$	\$	\$	1,000									
Distilled Water Svc		\$	\$	\$										
Door Hangers		\$	\$	\$										
Equip/Glassware		\$	\$	\$										
Flags		\$	\$	\$										
Fuel		\$	\$	\$	500									
General Materials		\$	\$	\$										
General Postage Charges		\$	\$	\$										
Kitchen/Restroom Supplies		\$	\$	\$	4,000									
Office Supplies		\$	\$	\$	3,000									
Parcel Service		\$	\$	\$	6,500									
Petroleum Lubricants		\$	\$	\$	500									
Pipe Supplies		\$	\$	\$										
Print Cartridges (5si, Laser, Epson color)		\$	\$	\$										
Pump Packing/Hoses		\$	\$	\$	7,000									
Reagents		\$	\$	\$										
Recertification Samples		\$	\$	\$										
Reference Materials		\$	\$	\$										
RMWTP- Cartridge Filters		\$	\$	\$										
RMWTP-Chemicals		\$	\$	\$										
RMWTP-Reagents		\$	\$	\$										
RMWTP-Supplies and Materials		\$	\$	\$										
Salt/Chlorine		\$	\$	\$										
Supplies/Parts		\$	\$	\$										
Tour Materials		\$	\$	\$										
Underground Service Alert Supplies		\$	\$	\$										
Water Efficient Devices		\$	\$	\$										

Code		Combined	Combined	5	10	11	12	22	24	25	26	52	53	57
Repair Parts & Equipment Maintenance		\$	1,018,500	\$	1,022,000	\$	1,022,000	\$						
BluePrint/Plotting Supplies/Svcs.		\$	8,000	\$	8,000	\$	8,000	\$						
Calibrate Balances		\$	-	\$	1,000	\$	1,000	\$						
Certify Hoods		\$	500	\$	500	\$	500	\$						
Control Valves		\$	80,000	\$	80,000	\$	80,000	\$						
Electrical/Instrumentation		\$	105,000	\$	105,000	\$	105,000	\$						
General Repairs		\$	80,000	\$	82,500	\$	82,500	\$						
Generators Maintenance		\$	60,000	\$	60,000	\$	60,000	\$						
Hydrants		\$	55,000	\$	55,000	\$	55,000	\$						
Information System Support & Maintenance		\$	25,000	\$	25,000	\$	25,000	\$						
Instrument Repairs-Lab		\$	2,000	\$	2,000	\$	2,000	\$						
Metals analyzer maintenance		\$	6,000	\$	6,000	\$	6,000	\$						
Metering Repair & Equipment Maintenance		\$	225,000	\$	225,000	\$	225,000	\$						
Printer Maintenance		\$	2,500	\$	2,500	\$	2,500	\$						
Motor Repair		\$	65,000	\$	65,000	\$	65,000	\$						
Pump Repair		\$	125,000	\$	125,000	\$	125,000	\$						
RMWTP		\$	50,000	\$	50,000	\$	50,000	\$						
Site Rehab (well etc)		\$	35,000	\$	35,000	\$	35,000	\$						
Telephone Maintenance		\$	500	\$	500	\$	500	\$						
Tractor/Forklift Maintenance		\$	10,000	\$	10,000	\$	10,000	\$						
Vehicle maintenance		\$	10,000	\$	10,000	\$	10,000	\$						
VFDs		\$	74,000	\$	74,000	\$	74,000	\$						
Legal Services		\$	45,000	\$	95,000	\$	95,000	\$						
Legal Counsel		\$	35,000	\$	35,000	\$	35,000	\$						
Legal Counsel-Special Counsel		\$	10,000	\$	60,000	\$	60,000	\$						
Dues & Subscriptions		\$	53,250	\$	54,250	\$	54,250	\$						
ACWA		\$	23,000	\$	24,000	\$	24,000	\$						
AWA		\$	4,600	\$	4,600	\$	4,600	\$						
AWWA		\$	2,400	\$	2,400	\$	2,400	\$						
CASA		\$	5,300	\$	5,300	\$	5,300	\$						
CMUA		\$	3,100	\$	3,100	\$	3,100	\$						
CWEA		\$	3,000	\$	3,000	\$	3,000	\$						
IT Knowledge Base		\$	500	\$	500	\$	500	\$						
Memberships		\$	3,000	\$	3,000	\$	3,000	\$						
Recertifications		\$	4,000	\$	4,000	\$	4,000	\$						
VCSDA		\$	150	\$	150	\$	150	\$						
Water Reuse		\$	1,200	\$	1,200	\$	1,200	\$						
WVCV		\$	3,000	\$	3,000	\$	3,000	\$						
Conference & Travel		\$	16,500	\$	15,300	\$	15,300	\$						
ACWA		\$	8,000	\$	8,000	\$	8,000	\$						
AWA		\$	2,400	\$	3,000	\$	3,000	\$						
CASA		\$	1,500	\$	1,500	\$	1,500	\$						
CSMFO/GFOA/Tyler		\$	1,800	\$	-	\$	-	\$						
General Meetings		\$	500	\$	500	\$	500	\$						
SWRCB/Legislature		\$	2,000	\$	2,000	\$	2,000	\$						
VCSDA		\$	300	\$	300	\$	300	\$						

Code

Safety & Training		Combined	Combined	5	10	11	12	22	24	25	26	52	53	57	
50310		\$	\$ 52,300	\$	\$ 49,300	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Awards Banquet		\$	\$ 5,000	\$	\$ 5,000										\$49,300
Education Courses		\$	\$ 26,000	\$	\$ 23,000										5,000
Safety Lunchrooms		\$	\$ 6,000	\$	\$ 6,000										23,000
Safety Shoes		\$	\$ 3,600	\$	\$ 3,600										6,000
Technical Seminars/Safety Training		\$	\$ 11,700	\$	\$ 11,700										3,600
															11,700
Board Expense		\$	\$ 120,000	\$	\$ 133,000	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$133,000
50330		\$	\$ 120,000	\$	\$ 128,000										128,000
Directors Fees		\$	\$ -	\$	\$ 5,000										5,000
Election Costs		\$	\$ -	\$	\$ 5,000										5,000
Bad Debt		\$	\$ 7,500	\$	\$ 10,000	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$10,000
50340		\$	\$ 7,500	\$	\$ 10,000										10,000
Bad Debt		\$	\$ 7,500	\$	\$ 10,000										10,000
Fees and Charges		\$	\$ 214,925	\$	\$ 299,325	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,100	\$139,575	\$3,500	\$61,500	\$299,325
Annual ELAP Accreditation Fee		\$	\$ 26,000	\$	\$ 30,000										30,000
Annual Waste Disch Perm.		\$	\$ 38,000	\$	\$ 50,000									50,000	50,000
Bank Fees		\$	\$ 30,000	\$	\$ 30,000										30,000
City of Camarillo Encroachment Permit		\$	\$ 4,800	\$	\$ 5,300										5,300
Collection Agency		\$	\$ 500	\$	\$ 500										500
EPA Fees		\$	\$ 1,500	\$	\$ 1,500									1,500	1,500
GASB 68 Report		\$	\$ 800	\$	\$ 800										800
GMA Extraction Fees		\$	\$ 20,000	\$	\$ 75,000							75,000			75,000
Health Savings Administration Fee		\$	\$ 300	\$	\$ 300										300
LAFCO		\$	\$ 15,000	\$	\$ 17,000										17,000
MWRPCA		\$	\$ 1,000	\$	\$ 1,000										1,000
Other		\$	\$ 4,000	\$	\$ 4,000										4,000
Permits & Inspections		\$	\$ 1,075	\$	\$ 1,075							1,075			1,075
SWRCB groundwater filing		\$	\$ 600	\$	\$ 1,500								500		1,500
SWRCB Water System Fees		\$	\$ 33,000	\$	\$ 42,000							42,000			42,000
Ventura Co. Annual Excavation Permit		\$	\$ 1,600	\$	\$ 1,600										1,600
Ven Co. HazMat Fee (fuel Tnks)		\$	\$ 15,500	\$	\$ 17,500						1,600	10,000		6,000	17,500
Ventura Co. Generator Permits		\$	\$ 11,000	\$	\$ 12,000						1,500	8,000		4,000	12,000
Ventura Co. Watershed		\$	\$ 5,500	\$	\$ 5,500							2,500	3,000		5,500
Willmington Trustee Fees		\$	\$ 4,750	\$	\$ 2,750										2,750
Insurance		\$	\$ 110,000	\$	\$ 118,000	\$	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$118,000
50360		\$	\$ 110,000	\$	\$ 118,000										118,000
Claims against Self-Insurance		\$	\$ 10,000	\$	\$ 10,000										10,000
Liability		\$	\$ 70,000	\$	\$ 70,000										70,000
Property (Auto)		\$	\$ 30,000	\$	\$ 38,000										38,000

## Schedule of Water and Wastewater Rates

The following table shows the customer class details of the commodity water rates:

<b>Commodity Charge By Class</b>					
<b>Potable Water</b>	<b>July 2019</b>	<b>July 2020</b>	<b>July 2021</b>	<b>July 2022</b>	<b>July 2023</b>
Residential/Master Meter/Domestic Agricultural First 12 Units	\$3.28	\$3.47	\$3.61	\$3.81	\$4.01
Residential/Master Meter/Domestic Agricultural 13 Units and Higher	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45
Commercial/Industrial/Public	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45
Municipal Irrigation/Residential Irrigation	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45
Fire Service/Other	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45
Agricultural Irrigation	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45
MWD Full Service Rate	\$3.65	\$3.82	\$4.01	\$4.22	\$4.45
MWD Tier 2 Rate					
Temporary Construction/Temporary Agricultural	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17
Temporary Municipal	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17
Emergency Water Service	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17
Commercial/Industrial/Public Out of Bounds	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17
Residential Out of Bounds First 12 Units	\$4.91	\$5.29	\$5.60	\$5.88	\$6.17
Residential Out of Bounds 13 Units and Higher					
<b>Non-Potable/Recycled Water Service</b>	<b>July 2019</b>	<b>July 2020</b>	<b>July 2021</b>	<b>July 2022</b>	<b>July 2023</b>
Non-Potable Commercial Agricultural	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59
Non-Potable Landscape Irrigation Water	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59
Non-Potable Residential Landscape	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59
Non-Potable Temporary Construction	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59
Non-Potable Commercial Agricultural (contractual customers prior to December 31, 1994)	\$0.62	\$0.63	\$0.64	\$0.65	\$0.66
Blended Non-Potable Agricultural	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59
Recycled Commercial Agricultural	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59
Recycled Landscape Irrigation	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59
Recycled Commercial Agricultural (contractual)	\$0.41	\$0.42	\$0.43	\$0.44	\$0.45
Recycled Surplus Water (Served Outside District)	\$1.92	\$2.08	\$2.19	\$2.40	\$2.59



## Schedule of Water and Wastewater Rates (Continued)

The following tables show details of the meter service fees:

Monthly Meter Service Charge					
Potable/Domestic Agricultural/Blended Agricultural					
	July 2019	July 2020	July 2021	July 2022	July 2023
3/4" (MM)	\$ 6.21	\$ 6.19	\$ 6.21	\$ 6.35	\$ 6.57
3/4"	\$ 12.79	\$ 12.77	\$ 13.26	\$ 13.58	\$ 14.08
1"	\$ 21.41	\$ 21.40	\$ 22.63	\$ 23.19	\$ 24.06
1.5"	\$ 42.94	\$ 42.93	\$ 46.02	\$ 47.17	\$ 48.96
2"	\$ 68.89	\$ 68.89	\$ 74.22	\$ 76.09	\$ 78.99
3"	\$ 151.09	\$ 151.12	\$ 163.54	\$ 167.68	\$ 174.10
4"	\$ 259.02	\$ 259.09	\$ 280.82	\$ 287.92	\$ 298.98
6"	\$ 388.69	\$ 388.81	\$ 421.73	\$ 432.41	\$ 449.02
8"	\$ 647.90	\$ 648.11	\$ 703.38	\$ 721.21	\$ 748.93
Non-Potable					
3/4" (MM)	\$ 4.89	\$ 4.88	\$ 4.91	\$ 5.02	\$ 5.20
3/4"	\$ 7.51	\$ 7.52	\$ 8.09	\$ 8.28	\$ 8.60
1"	\$ 10.28	\$ 10.32	\$ 11.72	\$ 12.00	\$ 12.51
1.5"	\$ 17.19	\$ 17.30	\$ 20.78	\$ 21.29	\$ 22.25
2"	\$ 25.52	\$ 25.72	\$ 31.70	\$ 32.48	\$ 33.99
3"	\$ 51.90	\$ 52.40	\$ 66.30	\$ 67.95	\$ 71.19
4"	\$ 86.54	\$ 87.43	\$ 111.72	\$ 114.51	\$ 120.02
6"	\$ 128.16	\$ 129.51	\$ 166.30	\$ 170.47	\$ 178.70
8"	\$ 211.35	\$ 213.63	\$ 275.39	\$ 282.30	\$ 295.99
Fire Service					
1"	\$ 51.03	\$ 51.65	\$ 61.96	\$ 63.93	\$ 67.46
1.5"	\$ 51.03	\$ 51.65	\$ 61.96	\$ 63.93	\$ 67.46
2"	\$ 51.03	\$ 51.65	\$ 61.96	\$ 63.93	\$ 67.46
3"	\$ 51.03	\$ 51.65	\$ 61.96	\$ 63.93	\$ 67.46
4"	\$ 51.03	\$ 51.65	\$ 61.96	\$ 63.93	\$ 67.46
6"	\$ 77.09	\$ 78.03	\$ 93.60	\$ 96.58	\$ 101.90
8"	\$ 129.17	\$ 130.74	\$ 156.84	\$ 161.82	\$ 170.74
10"	\$ 343.45	\$ 347.63	\$ 417.02	\$ 430.27	\$ 453.98

Wastewater Rates					
	July 2019	July 2020	July 2021	July 2022	July 2023
Monthly Service Charge	\$ 33.49	\$ 35.83	\$ 38.37	\$ 40.62	\$ 43.05
Wastewater Service through City of T.O.					
Monthly Service Charge	\$ 46.76	\$ 47.22	\$ 47.69	\$ 48.15	\$ 48.61

## Outstanding Debt

Camrosa Water District			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2023	375,331	660,000	1,035,331
2024	344,931	695,000	1,039,931
2025	316,631	720,000	1,036,631
2026	288,932	760,000	1,048,932
2027	261,981	780,000	1,041,981
2028	238,144	815,000	1,053,144
2029	219,656	830,000	1,049,656
2030	201,850	845,000	1,046,850
2031	182,072	865,000	1,047,072
2032	168,300	175,000	343,300
2033	161,200	180,000	341,200
2034	153,800	190,000	343,800
2035	146,100	195,000	341,100
2036	138,100	205,000	343,100
2037	128,625	215,000	343,625
2038	117,625	225,000	342,625
2039	106,125	235,000	341,125
2040	94,125	245,000	339,125
2041	81,500	260,000	341,500
2042	68,250	270,000	338,250
2043	54,375	285,000	339,375
2044	39,750	300,000	339,750
2045	24,375	315,000	339,375
2046	8,250	330,000	338,250
<b>TOTAL</b>	<b>\$ 3,920,029</b>	<b>\$ 10,595,000</b>	<b>\$ 14,515,029</b>

## Outstanding Debt (Continued)

Water Program			
Debt Service			
FY	Interest	Principal	Total
2023	330,806	515,000	845,806
2024	307,031	545,000	852,031
2025	284,931	560,000	844,931
2026	263,319	595,000	858,319
2027	242,231	610,000	852,231
2028	223,619	635,000	858,619
2029	209,181	650,000	859,181
2030	195,257	660,000	855,257
2031	179,816	675,000	854,816
2032	168,300	175,000	343,300
2033	161,200	180,000	341,200
2034	153,800	190,000	343,800
2035	146,100	195,000	341,100
2036	138,100	205,000	343,100
2037	128,625	215,000	343,625
2038	117,625	225,000	342,625
2039	106,125	235,000	341,125
2040	94,125	245,000	339,125
2041	81,500	260,000	341,500
2042	68,250	270,000	338,250
2043	54,375	285,000	339,375
2044	39,750	300,000	339,750
2045	24,375	315,000	339,375
2046	8,250	330,000	338,250
<b>TOTAL</b>	<b>\$ 3,726,692</b>	<b>\$ 9,070,000</b>	<b>\$ 12,796,692</b>

## Outstanding Debt (Continued)

Potable Water Program			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2023	323,688	491,900	815,588
2024	300,977	520,700	821,677
2025	279,861	535,100	814,961
2026	259,214	568,300	827,514
2027	239,071	582,700	821,771
2028	221,293	606,500	827,793
2029	207,502	620,900	828,402
2030	194,203	630,300	824,503
2031	179,456	644,700	824,156
2032	168,300	175,000	343,300
2033	161,200	180,000	341,200
2034	153,800	190,000	343,800
2035	146,100	195,000	341,100
2036	138,100	205,000	343,100
2037	128,625	215,000	343,625
2038	117,625	225,000	342,625
2039	106,125	235,000	341,125
2040	94,125	245,000	339,125
2041	81,500	260,000	341,500
2042	68,250	270,000	338,250
2043	54,375	285,000	339,375
2044	39,750	300,000	339,750
2045	24,375	315,000	339,375
2046	8,250	330,000	338,250
<b>TOTAL</b>	<b>\$ 3,695,765</b>	<b>\$ 8,826,100</b>	<b>\$ 12,521,865</b>

Non-Potable Water Program			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2023	7,118	23,100	30,218
2024	6,054	24,300	30,354
2025	5,070	24,900	29,970
2026	4,105	26,700	30,805
2027	3,160	27,300	30,460
2028	2,326	28,500	30,826
2029	1,679	29,100	30,779
2030	1,054	29,700	30,754
2031	360	30,300	30,660
<b>TOTAL</b>	<b>\$ 30,927</b>	<b>\$ 243,900</b>	<b>\$ 274,827</b>

## Outstanding Debt (Continued)

Wastewater Program			
2011A/2016 Project Bonds			
FY	Interest	Principal	Total
2023	44,525	145,000	189,525
2024	37,900	150,000	187,900
2025	31,700	160,000	191,700
2026	25,613	165,000	190,613
2027	19,750	170,000	189,750
2028	14,525	180,000	194,525
2029	10,475	180,000	190,475
2030	6,594	185,000	191,594
2031	2,256	190,000	192,256
<b>TOTAL</b>	<b>\$ 193,338</b>	<b>\$ 1,525,000</b>	<b>\$ 1,718,338</b>

**Resolution No: 21-18**

A Resolution of the Board of Directors  
of Camrosa Water District

**Adopting a Statement of Reserve Policy**

**Whereas**, the District collects capital fees from new developments for both water and wastewater service and deposits said fees into a reserve account for future expansion of the respective systems; and

**Whereas**, large capital outlays will be necessary in the future for replacement of portions of the water and wastewater infrastructure as they come to the end of their useful life; and

**Whereas**, it is in the best interests of the customers of Camrosa to fund future expansion and capital replacement while minimizing additional debt; and

**Whereas**, it is in the best interests of the customers of Camrosa to fund emergency repairs while maintaining a stable rate structure; and

**Whereas**, it is the intent of the Board of Directors to maintain adequate reserves for ongoing needs, to minimize the need for new debt financing for future capital projects, and to maintain an affordable and stable rate structure; and

**Whereas**, the policy is being amended to incorporate an Unfunded Accrued Liability fund (UAL) to set aside monies for future prepayments to CalPERS;

**Now, Therefore, Be It Resolved**, by the Camrosa Water District Board of Directors, that the attached Statement of Reserve Policy is adopted and made effective this date; and

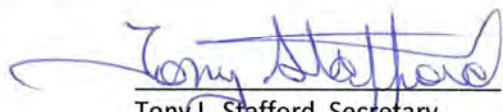
**Be It Further Resolved** that contributions to reserves shall be established at levels that will accumulate necessary funds to:

- Increase system capacity and accommodate growth
- Replace assets of the District as required
- Meet unanticipated emergencies
- Stabilize rates and dampen the effects of one-time expenditures that may otherwise require an adjustment in the District rate structure
- Meet the covenants of outstanding debt issues and other agreements; and

**Be It Further Resolved** that this reserve fund policy supersedes any and all reserve fund policies and reserve levels specified previously in District policies.

**Adopted, Signed, and Approved** this 14<sup>th</sup> day of October 2021.

  
Eugene F. West, President  
Board of Directors  
Camrosa Water District

 (ATTEST)  
Tony L. Stafford, Secretary  
Board of Directors  
Camrosa Water District



## **Camrosa Water District Statement of Reserve Fund Policy**

### **Purpose:**

It is the intent of the Board to maintain adequate reserves for ongoing needs, to minimize the need for new debt financing for future capital projects and to maintain an affordable and stable rate structure. This statement is intended to provide guidelines for the maintenance of the financial reserves of the District. The ultimate goal of this statement is to identify the categories of reserves to be maintained, to establish the method for identifying the need for each category of reserves, to identify the sources of contribution to reserves, and to provide for periodic review of both reserve levels and this reserve policy.

### **Scope:**

This reserve fund policy applies to all financial reserves of the District, as well as other funds that may be created from time to time which shall also be administered in accordance with the provisions of this policy. It includes reserves in the form of investments monitored and controlled by the Board as well as reserves held in trust in accordance with the covenants of specific debt issuance instruments.

### **Policy:**

The budget for the District shall be prepared in a manner that assures adequate reserves for ongoing needs while minimizing the need for new debt. In particular, contributions to reserves shall be established at levels that will accumulate necessary funds to:

- establish sound formal fiscal reserve policies to ensure strong fiscal management to guide future District decisions;
- increase system capacity and accommodate growth;
- provide funding for current and future replacement of existing assets as they reach the end of their useful lives;
- meet unanticipated emergencies;
- help smooth rates from year-to-year, and to promote equity over the years to ratepayers; and
- meet the covenants of outstanding debt issues and other agreements.

All reserves must be identifiable to one of these purposes; reserves shall not be accumulated in excess of levels needed to satisfy these purposes. Reserves may, as deemed prudent by the Board, be used to satisfy more than one purpose.

### **Classification of Reserves:**

Two primary classifications of reserves are established, each with several categories to earmark reserves for specific purposes identified in the policy above.

**Restricted Assets** There are three primary categories of restricted assets as follows:

- a. *Debt Covenant Reserves* are established in accordance with covenants of specific debt issuance instruments.
- b. *Specific Agreement Reserves* are established in accordance with agreements between the District and other agencies.
- c. *CIP Reserves* are funds earmarked for near-term expenditure under the approved Capital Improvement Plan (CIP) for the current fiscal year.

These reserves may only be used for the specific purposes outlined in the debt issuance instrument, the agreement with another agency or the annual CIP and may not be used to meet reserve levels required for other purposes.

**Designated Reserves** are established by the Board to meet purposes other than those identified to restricted assets. The categories of reserves that fall under this classification are:

- a. ***Capital Improvement Fund (CIF)*** – Capital cost recovery fees collected from developers to obtain entitlement to existing water and wastewater capacity and to fund construction of capacity expansion are segregated in the CIF.  
Applicable Funds: Potable, Non-Potable and Wastewater Capital Improvement Funds.
- b. ***Capital Replacement Fund (CRF)*** – Funds are for both short-term and long-term purposes. The objective is to provide funds for the current and future replacement of existing capital assets as they reach their useful lives.  
Applicable Funds: Potable, Non-Potable and Wastewater Capital Replacement Funds.
- c. ***Rate Stabilization Fund (RSF)*** – Funds operate as a buffer to water and wastewater rates during any period where there is an unexpected increase in operating costs or decrease in revenues. For example, in the event of an unexpected rate increase from Calleguas/MWD and the District chooses not to pass the increase on to its customers immediately, this fund could cover the shortfall in revenue. In addition, in a severe drought or extremely wet conditions, it is reasonable to expect that water sales could fluctuate significantly. The Rate Stabilization Fund will absorb these types of fluctuations in operations and help stabilize rates. A secondary purpose is to assure minimum debt service coverage of the District's bond covenants. In calculating debt service coverage, contributions from the RSF will be treated as revenue.

Applicable Funds: Potable, Non-Potable and Wastewater Rate Stabilization Fund.

- d. ***Operating and Emergency Reserves (OER)*** – Funds designated to provide financial flexibility in the day-to-day conduct of district business and to respond quickly to emergency situations that may pose threats to public health and the District’s ability to sustain safe or reliable service.

Applicable Funds: Potable, Non-Potable and Wastewater Operating and Emergency Reserve Fund.

- e. ***Unfunded Accrued Liability (UAL)*** – Funds are for both short-term and long-term purposes. The objective is to provide funds needed to fully fund accrued liabilities. UAL payments are a dollar amount adjusted annually by CalPERS.

Applicable Funds: Potable, Non-Potable and Wastewater Operating Unfunded Accrued Liability Fund.

The Board of Directors may review fund designations from time-to-time and establish new or eliminate established designated reserve funds as operational needs may dictate.

### **Sources of Funds:**

The source of funds for each category of reserves varies. For Restricted Assets, the source of funds to meet bond covenants or terms of individual agreements is specified in the debt issuance instrument or agreement that mandated the establishment of a reserve. Use of the funds is limited as specified in the covenants of the agreement. Reserves earmarked for near-term expenditure under the approved Capital Improvement Plan (CIP) for the current fiscal year will be deducted from the appropriate Designated Reserve and established as a Restricted Asset.

In the case of Designated Reserves, contributions may come from several sources as follows:

- a. ***Capital Improvement Fund (CIF)*** - Accumulated capital fees collected during property development to ensure adequate water and wastewater system capacity.
- b. ***Capital Replacement Fund (CRF)*** - Contribution from net operating results.
- c. ***Rate Stabilization Fund (RSF)*** - Contribution from net operating results from operations at the discretion of the Board to maintain the fund balance and to stabilize rates and meet the District’s bond covenants.
- d. ***Operating and Emergency Reserves (OER)*** - Contribution from net operating results after all other contributions to reserves have been made.
- e. ***Unfunded Accrued Liability (UAL)*** – Contribution from net operating results or Capital Replacement Fund.

The contribution of revenues of the District to meet replacement needs is based upon expected replacement costs and expected remaining life of the various assets.

### **Expenditure of Reserves:**

Expenditure of reserves is authorized as part of the annual budget process. Capital Replacement projects are individually authorized and may be designated either as Capital Improvement, Capital Replacement, Fixed Asset or a combination of, and funded from the appropriate reserve funds.

Prior to the expenditure of funds from any capital replacement fund, an analysis shall be conducted to determine if the asset has truly come to the end of its expected life and the asset is still required to meet the needs of District customers for the foreseeable future. In all cases, application of new technology should be considered to improve efficiency and economy of District operations.

Designated Reserves may also be used at the discretion of the Board to meet unanticipated financial needs such equipment failures, damage caused by natural disaster or other emergencies requiring funds beyond annual revenues. Funds contained in the Rate Stabilization Funds may be used to manage rates and rate increases and to offset sudden and unanticipated losses in revenue, such as reduced water and wastewater sales. These funds may be used to compensate for losses resulting from sudden increases in wholesale water rates and increases in water and wastewater operating costs and may be used to meet the minimum debt service coverage required in accordance with specific debt covenants. The contribution to and utilization of the Water and Wastewater Rate Stabilization Fund may be budgeted in the District's Annual Budget or utilized in an unanticipated financial need.

### **Levels of Reserve Funds:**

Adequate levels of reserves are critical to the successful and stable short- and long-term operation of the District. Sufficient reserve fund balances will ensure that customers experience both stable rates for service and the security that the District can respond to short-term emergencies. Sufficient reserves will provide the overall financial strength to the District to protect its bonding capacity and to finance and construct the infrastructure necessary to renew existing systems and expand service levels to meet future needs. Rates and fees should be maintained at a level to ensure the balance within the various reserve funds are sufficient to meet the specified needs for the reserve funds without generating funds surplus to the District's needs.

- a. ***Restricted Assets*** – Reserves required by debt agreements and funds designated to fund the current year CIP will be maintained at 100% of level required by each reserve category. Funds in these reserve accounts will not be used to meet the required reserve fund balance for any other category of reserves.
- b. ***Capital Replacement (CRF)*** – At the beginning of each budget year, each reserve fund balance should be a minimum of 5% of the projected capital asset replacement value to determine the target level for the Capital Replacement Reserves.

- c. **Capital Improvement (CIF)** – The CIF is used for new development and is development driven as are the costs incurred; therefore, no minimum or maximum.
- d. **Rate Stabilization Fund (RSF)** – This fund is used to stabilize rates in the event of short to mid-term rate revenue loss, and/or higher than anticipated operating expenses that cannot be supported by normal revenues. Rate Stabilization funds can be used to balance the budget. The scheduled target will be 10% of the prior year's rate revenue. Rate revenue is defined as revenue generated from the commodity charges only.
- e. **Operating and Emergency Reserves (OER)** – The minimum target OER balance shall be the 45-Day average of operating expense budget (excluding wholesale water costs).
- f. **Unfunded Accrued Liability (UAL)** – The target is to be 100% percent funded with a zero UAL balance. To attain 100% funding level the use of reserves may be set aside in the UAL fund to apply additional discretionary payments towards the liability.

**Review:**

An annual review of reserve levels is necessary during the budget preparation process to ensure proper levels of reserves are maintained. In addition, this reserve policy shall be reviewed by the Board on a biennial basis to ensure continued conformance with long-term Board strategy.



**Board of Directors**  
A.E. Fox  
Division 1  
Jeffrey C. Brown  
Division 2  
Timothy H. Hoag  
Division 3  
Eugene F. West  
Division 4  
Terry L. Foreman  
Division 5  
**General Manager**  
Tony L. Stafford

## Resolution No: 22-01

A Resolution of the Board of Directors  
of Camrosa Water District

### Adopting a District Investment Policy

**Whereas,** The Board of Directors has established a District Investment Policy to provide guidelines for the prudent investment of the District's temporarily idle cash; and,

**Whereas,** It is in the best interests of the District to review that investment policy from time to time to ensure maximum yield while maintaining criteria to ensure safety and liquidity; and,

**Whereas,** The Investment Policy has been presented to the full Board for review and comment;

**Now, Therefore, Be It Resolved** by the Camrosa Water District Board of Directors that the attached Investment Policy is hereby adopted and made effective this date.

**Adopted, Signed, and Approved** this 27<sup>th</sup> day of January 2022.

Eugene F. West, President  
Board of Directors  
Camrosa Water District

(ATTEST)  
Tony L. Stafford, Secretary  
Board of Directors  
Camrosa Water District



**CAMROSA WATER DISTRICT  
STATEMENT OF INVESTMENT POLICY  
January 2022**

**PURPOSE:**

This statement is intended to provide guidelines for prudent investment of the District's temporarily idle cash, and outline policies for maximizing efficiency of the District's cash management system. The ultimate goal is to enhance the economic status of the District while protecting its cash resources.

**SCOPE:**

This investment policy applies to all financial assets of the District, as well as other funds that may be created from time to time which shall also be administered in accordance with the provisions of this policy. Funds held by the Ventura County Treasurer during tax collection periods shall be governed by the County's investment policy, and are not subject to the provisions of this policy.

**THE INVESTMENT PROCESS:**

The investment of public funds is a professional discipline. The investment process has the following components:

- A written investment policy explicitly identifying the District's opportunities, constraints, preferences, and capabilities.
- An Investment Strategy identifying Investment opportunities and overall objectives of the District.
- A Market Analysis identifying the District's circumstances and market conditions.
- A Portfolio Analysis identifying adjustments needed in response to changing circumstances, results and new objectives.

**POLICY:**

The Camrosa Water District shall invest its pooled, temporary idle cash investments in a manner that affords the District a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current legislation of the State of California (Water Code Section 31303 and 31336 and Government Code Section 53600 et seq.). Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence, who are familiar with those matters, exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety and liquidity of capital, as well as reasonable income to be derived.

The Board of Directors and the General Manager, acting in accordance with procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate actions are taken to control adverse developments.

The General Manager shall establish a system of internal controls to be reviewed by the Investment Committee and with the independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by District Staff.

## **INVESTMENT STRATEGY**

Temporarily idle or surplus funds of the Camrosa Water District shall be invested in accordance with principles of sound treasury management and in accordance with the provisions of the California Government Code Sections 53600 et seq, the Water Code and this Investment Policy. The basic objectives of the District's investment program are, in order of priority,

- 1) Safety of invested funds; and
- 2) Maintenance of sufficient liquidity to meet cash flow needs; and
- 3) Attainment of the maximum return possible consistent with the first two objectives.

These objectives will be accomplished using the following procedures

1. Safety – The District shall ensure the safety of its invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of the security issuer or backer. Interest rate risk is the risk that the market value of portfolio securities will fall due to an increase in general interest rates.

Credit risk will be mitigated by:

- a. Limiting investments to safer types of securities; and
- b. Diversifying the investment portfolio so that the failure of any one issuer or backer will not place undue financial burden on the District; and
- c. Monitoring all of the District's investments to anticipate and respond appropriately to a significant reduction of creditworthiness of any of the issuers. The relative health of issuers shall be evaluated by the Investment Committee at least annually.

Interest rate risk will be mitigated by:

- a. Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to their maturity; and
- b. Investing primarily in short-term securities; and
- c. Occasionally restructuring the portfolio to minimize the loss of market value and/or to maximize cash flows.

2. Liquidity – The District's financial portfolio must be structured in a manner which will provide that securities mature at approximately the same time as cash is needed to meet anticipated demands. Additionally, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. As a general rule, and subject to annual review by the Investment Committee, the average maturity of the investment portfolio will not exceed two (2) years. No investment will have a maturity of more than five (5) years from its date of purchase.
3. Return – The investment portfolio shall be designed with overall objective of obtaining a total rate of return throughout economic cycles, commensurate with investment risk constraints and cash flow needs.

## **ELIGIBLE INVESTMENT INSTRUMENTS**

Camrosa shall invest only in investment instruments and media approved by Resolution of Camrosa's Board of Directors. The Board of Directors may consider additions or deletions to the approved investment instruments and media list at any time by resolution and shall include in each resolution the entire list of approved investments. This policy shall be used to evaluate recommended additions to the approved list. Additions to the approved list shall not be made unless there is a strong likelihood that the addition will be utilized within the near future. The attached Addendum contains examples of typical investment instruments which may be included on an approved list.

## **INVESTMENT CONSTRAINTS**

General Guidelines - Temporarily idle operating cash shall be invested in instruments whose average maturity does not exceed two (2) years. Reserves established for the replacement of utility (water, sewer) facilities may be invested for a longer term if a higher yield may be achieved. Funds held for capital replacement shall be invested in securities that reasonably can be expected to produce enough income to offset inflationary construction cost increases. Such funds shall not be exposed to market price risks or default risks that would jeopardize the assets available to accomplish their stated objective. Such would be the case with obligations of the U.S. Government or its agencies.

Diversification - It is the District's policy to diversify its investment portfolio to control credit risk. Diversification strategies shall be determined and revised periodically. Maturities shall be staggered to provide for liquidity and stability of income. At least 25% of the portfolio will be invested in securities which can be liquidated on one (1) day's notice in order to control liquidity risk. No more than one-third (33%) of Camrosa's portfolio shall be held by any single investment firm or institution. The sole exception shall be the State of California Investment Pool (L.A.I.F.).

Prohibited Investments - Investments by the District in securities permitted by the California Government Code, but not specifically approved by Board Resolution is prohibited without the prior approval of the Board of Directors. The District shall not invest any funds such as inverse floaters, range notes, and other instruments outlined in California Government Code Section 53601 nor in any security that could result in zero interest if held to maturity. No representative of the District is authorized to engage in margin transactions, derivatives nor reverse repurchase agreements on behalf of the District. Finally, while it may occasionally be necessary or strategically prudent of the District to sell a security prior to maturity to either meet unanticipated cash needs or to restructure the portfolio, no investment may be made for the sole purpose of speculating or taking an unhedged position on the future direction of interest rates.

Security Dealers and Depositories - The District shall seek to conduct its investment transactions with several competing, reputable security dealers and brokers as the need may arise. The selection process shall screen out institutions that lack viability or whose past practices suggest the safety of public capital, directed to or through such firms, would be impaired.

Ethics and Conflict of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Such employees and investment officials shall disclose to the Board of Directors and the General Manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial investment positions that could be related to the performance of the District's

portfolio. Such employees and officers shall subordinate their personal investment transactions to those of the District, particularly with regard to the time of purchases and sales.

## **RESPONSIBILITIES**

General Manager - The General Manager is charged with responsibility for maintaining custody of all public funds and securities belonging to or under the control of the District and for the deposit and investment of those funds in accordance with principles of sound fiscal management and in conformance with applicable laws and ordinances. The General Manager shall develop an investment procedures manual to implement this Investment Policy for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse as approved by the Board of Directors.

Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognized that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following:

1. Control of collusion
2. Separation of transaction authority from accounting and record keeping
3. Custodial safekeeping
4. Avoidance of physical delivery securities
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Dual authorizations of wire transfers
8. Development of a wire transfer agreement with the lead bank and third-party custodian

The internal controls are further defined in the Investment Procedure attached.

The General Manager is responsible for keeping the Board of Directors fully advised as to the financial condition of the District.

District's Auditing Firm - The District's auditing firm's responsibilities shall include, but not be limited to, the examination and analyses of fiscal procedures and the examination, checking and verification of accounts and expenditures. A review of the District's investment program is to be performed, under a separate engagement for services, in conjunction with the annual financial audit.

Board of Directors - The Board of Directors shall consider and adopt a written Investment Policy. As provided in that Policy, the Board shall receive, review, and accept monthly Cash Position Reports and quarterly Investment Reports.

Investment Committee - An Investment Committee consisting of two (2) members of the Board of Directors appointed by the President, will meet with the District General Manager as required to develop the general strategies, allocate reserve assets among various approved investment instruments, and to monitor results. The Committee shall include in its deliberations, potential risks to District funds, authorized depositors, brokers and dealers, and target rate of return on investments, and any other topics as it may determine or as



directed by the Board of Directors. The Committee shall report to the full Board of Directors the results of the Investment Committee Meeting including any recommended actions. Payment for any transaction which requires the transfer of funds from one investment to another shall require the signature of at least two (2) Members of the Board.

### **REPORTING**

The General Manager, will provide the Board of Directors with monthly cash position and quarterly reports of investments. Such reports will provide at least the following: Type of investment, institution, date of maturity, amount of deposit, current market value of all securities maturing beyond one (1) year after reporting date, rate of interest and such other data as from time to time may be required by the Board.

### **ANNUAL REVIEW**

This investment policy shall be reviewed annually by the Investment Committee to ensure its consistency with respect to the overall objectives of safety, liquidity and yield. Proposed amendments to the policy shall be prepared by the Investment Committee and be forwarded to the Board of Directors for Consideration.

## ADDENDUM

### GLOSSARY:

#### U.S. GOVERNMENT SECURITIES

U.S. Treasury Obligations - Treasury bills, Treasury bonds, and Treasury notes issued by the U.S. Treasury. The maturity on these investments shall not exceed five (5) years without the prior **approval** of the Investment Committee. Per Gov't. Code no maturity greater than five (5) years and no **portfolio** limits.

U.S. Government Agency Obligations - Any obligation of, or obligation that is insured as to principal and interest by the United States or any agency or corporation thereof, and any obligation and security of the United States sponsored enterprises, including, without limitation:

- 1) Federal Farm Credit Banks (FFCB)
- 2) Federal Home Loan Bank System (FHLB)
- 3) Federal Home Loan Mortgage Corporation (FHLMC)
- 4) Federal National Mortgage Association (FNMA)
- 5) Federal Agriculture Mortgage Association (FAMA)
- 6) Tennessee Valley Authority (TVA)

Per Gov't. Code no maturity greater than five (5) years and no portfolio limits.

#### FINANCIAL INTERMEDIARIES

##### CERTIFICATES OF DEPOSIT

Commercial Bank Certificates of Deposit – Time Certificates of Deposit provided that the depository is a member of the FDIC and the amount does not exceed the current FDIC insured limit. Per Gov't. Code no maturity greater than five (5) years and no portfolio limit.

Negotiable Certificates of Deposit – Bank Deposit Notes issued by a nationally or state chartered bank or by a state-licensed branch of a foreign bank provide and is a member of the FDIC. Per Gov't Code limits maturity to five (5) years and 30% of portfolio.

Savings and Loan Association (S&L) Deposits – Investments in any Savings and Loan (S&L) institution and bank shall be limited to FDIC Limitations. Collateralization for uninsured S&L deposits is required.

##### RELATED INSTRUMENTS

Repurchase Agreements – An agreement with an approved broker/dealer that provides for, sell, and simultaneous purchase of an allowable collateral security. The difference in the sales and purchase price is the earning rate on the agreement. A master repurchase agreement must be in place with the approved broker/dealer. Per Gov't. Code no maturity greater than one (1) year, and no portfolio limits.

Bankers' Acceptances - Bills of exchange or time drafts drawn on and accepted by commercial banks, which are eligible for purchase by the Federal Reserve System, are known as bankers' acceptances. Purchases of these instruments may not exceed 180 bankers days maturity per Gov't Code and 40% portfolio limit.



State Investment Pool - Offering a governmental alternative to money market funds, California has created the Local Agency Investment Fund (LAIF). Such funds are operated directly by the State Treasurer who commingles state and local funds. Rates of return fluctuate daily and are reported as a monthly average yield rate. Same day or next day liquidity, by telephone communication. The State Treasurer requests voluntary compliance with no more than fifteen (15) transactions per month. Authorized by Gov't. Code Section 16429.1(b), with no maximum maturity or maximum % of portfolio.

Ventura County Investment Pool - The Ventura County Investment Pool is an additional alternative to money market funds. Similar to the State LAIF, invested funds are commingled with County and other local agency funds for investment purposes and yields are reported monthly. Liquidity provisions are consistent with the State's provisions, and withdrawals can also be made by telephone by authorized personnel. Authorized by Gov't. Code Section 53684(a) with no maximum maturity or maximum % of portfolio.

*Resolution No: 16-18*

*A Resolution of the Board of Directors  
of Camrosa Water District*

***Establishing a Debt Management Policy***

*Whereas*, the Camrosa Water District has a long history of issuing debt instruments to provide financing for various capital improvement projects; and

*Whereas*, the Camrosa Water District also has a long history of conservative, prudent financial practices relating to debt issuance; and

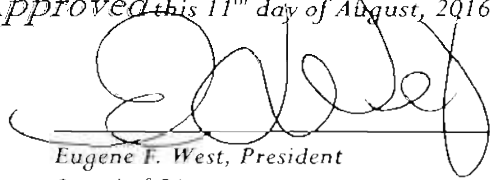
*Whereas*, the purpose of the debt management policy is to assist the District in pursuit of the following equally important objectives:

- Achieve the lowest cost of capital
- Ensure ratepayer equity
- Maintain a credit rating strategy and access to credit enhancement
- Preserve financial flexibility; and

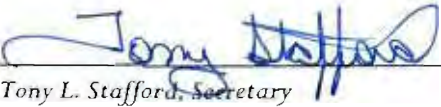
*Whereas*, the Camrosa Water District established a debt management policy, memorializing these past and current practices as formal policy and establishing best practices of debt management for the District.

*Now, Therefore, Be It Resolved* by the Camrosa Water District Board of Directors that the proposed Debt Management Policy is hereby approved and adopted, and the General Manager is authorized to implement the policy.

*Adopted, Signed, and Approved* this 11<sup>th</sup> day of August, 2016.

  
Eugene F. West, President  
Board of Directors  
Camrosa Water District

ATTEST:

  
Tony L. Stafford, Secretary  
Board of Directors  
Camrosa Water District

# **Debt Management Policy**

**Adopted August 11, 2016**

Policy Statement .....	3
Purpose and Use of Debt.....	3
Purpose of Policy .....	3
Types of Debt .....	4
General Provisions .....	4
Conditions for Debt Issuance .....	5
Standards for Use of Debt Financing .....	5
Debt Capacity .....	5
Financing Criteria .....	6
Refinancing Outstanding Debt .....	7
Outstanding Debt Limitations .....	8
Selection of Financing Team Members .....	8
Market Communication, Debt Administration and Reporting Requirements .....	8
GLOSSARY OF TERMS .....	10

# **Debt Management Policy**

## **Policy Statement**

This policy documents the goals of the Camrosa Water District (District) for the use of debt instruments and provides guidelines for the use of debt for financing District water, sewer, and recycled water infrastructure and project needs. The District's overriding goal in issuing debt is to respond to and provide for its infrastructure, capital project, and other financing needs while ensuring that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality. The District issues debt instruments, administers District-held debt proceeds, and makes debt-service payments, acting with prudence, diligence, and attention to prevailing economic conditions.

The District will pay for all infrastructure, projects, and other financing needs from a combination of current revenues, available reserves, and prudently issued debt. The District believes that debt can provide an equitable means of financing projects for its customers and provide access to new capital. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is the most cost-effective means available; (iii) if it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor. The District will not issue debt without the approval of the Board of Directors (Board).

## **Purpose and Use of Debt**

The District will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term improvements and thus ensure that existing and future users contribute equitably. Long-term improvements include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or enlargements to existing capacity and facilities for obtaining, importing, transporting, and delivering additional quantities of water. These improvements are typically included in the District's Operating and Capital Budget and capital plans as adopted by the Board of Directors. Bond proceeds can be issued to fund the planning, design, land acquisition, construction, equipment, attached fixtures and moveable pieces of equipment, or other costs as permitted by law.

## **Purpose of Policy**

The purpose of this debt management policy is to:

- Establish parameters for issuing debt
- Provide guidance to decision makers:

- With respect to all options available to finance infrastructure, capital projects, and other financing needs
- So that the most prudent, equitable and cost-effective method of financing can be chosen
- Document the objectives to be achieved both prior to issuance and subsequent to issuance
- Promote objectivity in the decision-making process
- Facilitate the financing process by establishing important policy decisions in advance

The District will adhere to the following legal requirements for the issuance of public debt:

- The state law which authorizes the issuance of the debt
- The federal and state laws which govern eligibility of the debt for tax-exempt status
- The federal and state laws which govern the issuance of taxable debt
- The federal and state laws which govern disclosure, sale, and trading of the debt both before and subsequent to issuance

## **Types of Debt**

Revenues Bonds, Notes, Certificates of Participation, special tax or special assessment bonds, capital leases, commercial paper, bank loans, direct placements, and lease-purchase financings will be treated as debt and subject to these same policies.

## **General Provisions**

The District will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting processes. Necessary appropriations for annual debt service requirements will be routinely included in the District's annual budget. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers, and investors, to ensure future capital market access at the lowest possible interest rates.

The District's Debt Management Policy, the Reserve Policy, and the Investment Policy are integrated into the decision-making framework utilized in the budgeting and capital improvement planning process. As such, the following principles outline the District's approach to debt management:

- The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued to the extent that (i) projected existing revenues



are sufficient to pay for the proposed debt service together with all existing debt service covered by such existing revenues, or (ii) additional projected revenues have been identified as a source of repayment in an amount sufficient to pay for the proposed debt.

- The District will not issue debt to cover operating needs, unless specifically approved by the Board.
- Debt issuance for a capital project will not be considered unless such project has been incorporated into the District's adopted Operating and Capital Budget or as otherwise approved by the Board.
- Each proposal to issue debt will be presented to the Finance Ad-Hoc Committee prior to presenting to the Board for approval. At that time, an analysis will be provided demonstrating conformity to this Policy. This analysis will address the purpose for which the debt is issued and the proposed debt structure.

## **Conditions for Debt Issuance**

The following guidelines formally establish parameters for evaluating, issuing, and managing the District's debt. The guidelines outlined below are not intended to serve as a list of rules to be applied to the District's debt issuance process, but rather to serve as a set of practices to promote prudent financial management.

In issuing debt, the District's objectives will be to:

- Achieve the lowest cost of capital
- Ensure ratepayer equity
- Maintain a credit rating strategy, and access to credit enhancement
- Preserve financial flexibility

## **Standards for Use of Debt Financing**

When appropriate, the District will use long-term debt financing to achieve an equitable allocation of capital costs/charges between current and future system users, to provide more manageable rates in the near and medium term, and to minimize rate volatility. The District shall not construct or acquire a facility if it is unable to adequately provide for the subsequent annual operation and maintenance costs of the facility throughout its expected life. Capital projects financed through debt issuance will not be financed for longer than the expected useful life of the project.

## **Debt Capacity**

There is no specific provision within the California Government Code that limits the amount of debt that may be issued by the District. The District's future borrowing capability is limited by the debt coverage ratio and additional debt limitations required by the existing bond covenants.

## Financing Criteria

Each debt issuance should be evaluated on an individual basis within the context of the District's overall financing objectives and current market conditions. The District will evaluate alternative debt structures (and timing considerations) to ensure the most cost-efficient financing under prevailing market conditions.

*Credit Enhancement* – The District will consider the use of credit enhancement on a case-by-case basis. Only when a clearly apparent savings can be realized shall credit enhancement be utilized.

*Cash-Funded Reserve vs. Surety* – If the issuance of debt requires a cash-funded debt service reserve fund, the District may purchase a surety policy or replace an existing cash-funded debt service reserve fund when deemed prudent and advantageous. The District may permit the use of guaranteed investment agreements for the investment of reserve funds pledged to the repayment of any of its debt when it is approved by the Board.

*Call Provisions* – In general, the District's securities should include optional call provisions. The District will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the value of the call option.

*Additional Bonds Test/Rate Covenants* – The amount and timing of debt will be planned to comply with the additional bonds tests and rate covenants outlined in the appropriate legal and financing documents, and this policy.

*Short-Term Debt* – The District may utilize short-term borrowing to serve as a bridge for anticipated revenues, construction financing, or future bonding capacity.

*Variable-Rate Debt* – Variable-rate debt products are rolling series of short-term investments that are resold periodically and are therefore priced at the short end of the yield curve at low interest rates. If an issuer accepts the risks inherent in variable interest rates, the issuer can take advantage of some of the lowest rates available on the market. Variable-rate debt may be appropriate for the District's portfolio, especially in the environment where increased interest earnings on invested funds offset the increased cost of variable-rate debt. Variable-rate debt products include variable-rate demand obligations, commercial paper, and auction rate securities. The District may consider the use of variable-rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In determining whether or not to use variable-rate debt, the District will analyze the risks associated with the variable-rate debt products, including derivative products.

*Use of Variable-Rate Debt* – The District may consider the use of variable-rate debt products to achieve a lower cost of borrowing or for short-term borrowing. In

determining whether or not to use variable-rate debt, the District will analyze, among other things, the risk associated with the variable-rate debt and the impact on the District's overall portfolio. Before issuing variable-rate debt, the District will analyze its cash position; the District will not issue variable-rate debt in an amount that exceeds 115 percent of its unrestricted cash position at the time of issuance.

*Investment of Bonds Proceeds* – Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction. The District will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision, specifically addressing the arbitrage/rebate position and evaluating alternative debt structures and refunding savings on a “net” debt service basis, where appropriate.

## **Refinancing Outstanding Debt**

The Manager of Finance shall have the responsibility to evaluate potential refunding opportunities. The District will consider the following issues when analyzing potential refinancing opportunities:

*Debt Service Savings* – The District shall establish a target savings level equal to three percent or higher of the par refunded on a net present value (NPV) basis (after payment of all costs associated with the issuance). This figure will serve only as a guideline and the District may determine that a different savings target is appropriate; the District shall evaluate each refunding opportunity on a case-by-case basis. In addition to the savings guideline, the following shall be taken into consideration:

- Remaining time to maturity
- Size of the issue
- Current interest rate environment
- Annual cash flow savings
- The value of the call option
- Revision of restrictive or onerous covenants
- Other factors approved by the District

*Restructuring* – The District may seek to refinance a bond issue on a non-economic basis, in order to restructure debt, mitigate irregular debt service payments, accommodate revenue shortfalls, achieve a proper matching of debt service with revenues, release reserve funds, or comply with and/or eliminate rate/bond covenants.

*Term/Final Maturity* – The District may consider the extension of the final maturity of the refunding bonds in order to achieve a necessary outcome, provided that such extension is legal. The term of the debt should not extend beyond the reasonably expected useful

life of the asset being financed. The District may also consider shortening the final maturity of the bonds. The remaining useful life of the assets and the concept of intergenerational equity will guide these decisions.

### **Outstanding Debt Limitations**

Prior to issuance of new debt, the District shall consider and review the latest credit-rating reports and guidelines to ensure the District's credit ratings and financial flexibility remain at levels consistent with the most highly rated comparable public agencies.

### **Selection of Financing Team Members**

The District shall procure professional services as required to execute financing transactions and provide advice on non-transaction-related work. Professional services include Consultants (Financial Advisor, Legal Counsel – Bond, Disclosure and Tax); Service Providers (Trustee, Paying Agent, Printer, Letter of Credit, Verification Agent); and an Underwriting Team (Senior Manager, Co-Manager).

The District shall select its primary financing team members/consultant(s) by competitive process through a Request for Proposals (RFP) or a Request for Qualifications (RFQ).

The District shall establish selection criteria for selecting its financing team members. The criteria may include, but are not limited to:

- Professional excellence
- Demonstrated competence
- Specialized experience performing similar services for California agencies
- Education and experience of key personnel to be assigned
- Geographic proximity
- Staff capability
- Ability to meet schedules
- Nature and quality of similar completed work
- Reliability and continuity of the firm or individual
- Other considerations deemed by the District to be relevant and necessary to the performance of advisory services

### **Market Communication, Debt Administration and Reporting Requirements**

*Responsibilities* – For purposes of this policy, the General Manager delegates responsibility of market communication, debt administration, and reporting requirements to the Manager of Finance, or appropriate position determined by the General Manager.

*Rating Agencies* – The Manager of Finance shall be responsible for maintaining the District's relationships with Standard & Poor's Ratings Services, Fitch Ratings, and Moody's Investors Service, as appropriate. The District shall, from time to time, deal with one, two, or all of these agencies as circumstances dictate. In addition to general communication, the Manager of Finance shall (1) meet, at least biennially, either in person or via phone, with credit analysts, and (2) offer, prior to each competitive or negotiated sale, conference calls or meeting(s) with rating analysts in connection with the planned sale.

*Observance of Debt Covenants* – The Manager of Finance will periodically ensure that the District is in compliance with all legal covenants for each debt issue.

*Continuing Disclosure* – The Manager of Finance will, for all debt issued, comply with Rule 15c3-12(b)(5) by required filing as covenanted in each debt issue's Continuing Disclosure Agreement. The Manager of Finance will maintain a calendar with the reporting deadlines and procedures for dissemination of annual reports and notices.

*Record Keeping* – A copy of all debt-related records shall be retained at the District's offices. At minimum these records shall include all official statements, bid documents, bond documents/transcripts, resolutions, trustee statements, leases, and title reports for each financing (to the extent available). To the extent possible, the District shall retain an electronic copy of each document, preferably in PDF or CD-ROM format.

*Arbitrage Rebate* – The District will comply with the administratively adopted policies and procedures regarding tax-exempt financings and tax-exempt finance property, as well as the tax and arbitrage certifications associated with each issue.

*Policy Review* – This policy should be reviewed on a biennial basis and adopted by the Board.

## GLOSSARY OF TERMS

**Advance Refunding** A procedure where outstanding bonds are refinanced by the proceeds of a new bond issue prior to the date on which the outstanding bonds become due or are callable. Generally, either the entire outstanding issue is refunded (full refunding) or only the callable bonds are refunded (partial refunding).

**Amortization** The planned reduction of a debt obligation according to a stated maturity or redemption schedule.

**Arbitrage** The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

**Balloon Maturity** A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

**Basis Points** The measure of the yield to maturity of an investment calculated to four decimal places. A basis point is one one-hundredth of one percent (.01 percent).

**Bond Anticipation Notes (BANS)** Notes issued by the government unit, usually for capital projects, which are paid from the proceeds of the issuance of long term bonds.

**Bullet Maturity** A maturity for which there are no sinking-funds payments prior to the stated maturity date.

**Call Provisions** The terms of the bond contract giving the issuer the right to redeem all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specific price, usually at or above par.

**Capitalized Interest** A portion of the proceeds of an issue set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of the project.

**Certificates of Participation (COP)** A bond from an issue, which is secured by lease payments made by the party leasing the facilities, financed by the issued. Typically COPs are used to finance the construction of facilities (e.g., infrastructure or buildings) used by a municipal agency, which leases the facilities from a financing authority. Often the agency is legally obligated to appropriate moneys from its general tax revenues to make lease payments.

**Competitive Sale** A sale of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities in contrast to a negotiated sale.



**Continuing Disclosure** The principle that accurate and complete information material to the transaction, which potential investors would be likely to consider material in making investment decisions with respect to the securities, be made available on an ongoing basis.

**Credit Enhancement** Credit support purchased by the issuer to raise the credit rating of the issued. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

**Debt Service Reserve Fund** The fund in which moneys are placed, which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

**Discount Bonds** Bonds which are priced for sale at a discount from their face or par value.

**Derivative** A financial product whose value is derived from some underlying asset value.

**Escrow** A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

**Gross Spread** The fees that underwriters receive for selling a public debt offering. The gross spread is equal to the difference between the price of a security paid by the underwriter and the offering price charged to the public.

The gross spread comprises three components:

*Takedown:* Normally the largest component of the spread, similar to a commission, which represents the income derived from the sale of securities. If bonds are sold by a member of the syndicate, the seller is entitled to the full takedown (also called the “total takedown”).

*Management Fee:* The amount paid to the senior manager and/or co-managers for handling the affairs of the syndicate.

*Expenses:* The costs of operating the syndicate for which the senior manager may be reimbursed.

**Lease-Purchase** A financing lease which may be sold publicly to finance capital equipment, real property acquisition or construction. The lease may be resold as certificates of participation or lease revenue bonds.

**Letters of Credit** A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

**Management Fee** The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

**Negotiated Sale** A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

**Original Issue Discount** The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

**Overlapping Debt** That portion of the debt of other governmental units for which residents of a particular municipality are responsible.

**Pay-As-You-Go** An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

**Present Value** The current value of a future cash flow.

**Private Placement** The original placement of an issue with one or more investors, as opposed to being publicly offered or sold.

**Rebate** A requirement imposed by the Tax Reform Act of 1986 whereby the issuer of the bonds must pay the IRS an amount equal to its profit earned from the investment of bond proceeds at a yield above the bond yield calculated pursuant to the IRS code, together with all income earned on the accumulated profit pending payment.

**Special Assessments** Fees imposed against properties that have received a special benefit by the construction of public improvements, such as water, sewer, and irrigation.

**Underwriter** A dealer that purchases new issues of municipal securities from the issuer and resells them to investors.

**Underwriter's Discount** The difference between the price at which bonds are bought by the underwriter from the issuer and the price at which they are reoffered to investors.

**Variable-Rate Debt** An interest rate on a security that changes at intervals according to an index, formula or other standard of measurement, as stated in the bond contract.

*Resolution No: 17-02*

*A Resolution of the Board of Directors  
of Camrosa Water District*

***Establishing a Budget Policy***

*Whereas*, the budget is presented as a policy document, an operational tool, a financial planning tool and a link to the Strategic Plan and considered a communication tool to the District's community and stakeholders; and,

*Whereas*, the purpose of the budget policy is to provide guidelines that will influence and direct the financial management practice of the District; and,

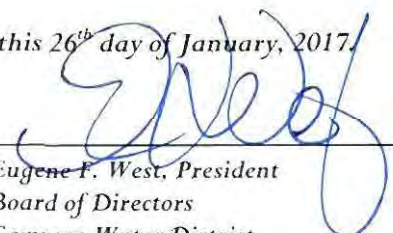
*Whereas*, the main reasons for establishing a budget policy is to:

- Ensure quality of existing core services;
- Establish organizational goals to guide decision making;
- Develop a budget to achieve goals;
- Incorporate a long-term perspective;
- Evaluate performance and make adjustments;
- Strengthen the financial position;
- Focus budget decisions on results and outcomes; and
- Involve and promote effective communication with stakeholders.


*Whereas*, the Camrosa Water District established a budget policy, memorializing as a formal policy and establishing best practices of financial management for the District;

*Now, Therefore, Be It Resolved* by the Camrosa Water District Board of Directors that the proposed Budget Policy is hereby approved and adopted, and the General Manager is authorized to implement the policy.

*Adopted, Signed, and Approved* this 26<sup>th</sup> day of January, 2017.

  
Eugene F. West, President  
Board of Directors  
Camrosa Water District

ATTEST:

  
Tony L. Stafford, Secretary  
Board of Directors  
Camrosa Water District

## **Budget Policy**

The budget is presented as a policy document, an operational tool, a financial planning tool, and a link to the Strategic Plan. In addition, it is also considered a communication tool to the District's community and stakeholders.

The main reasons for establishing a budget policy is to:

- Ensure quality of existing core services;
- Establish organizational goals to guide decision making;
- Develop a budget to achieve goals;
- *Incorporate a long-term perspective;*
- Evaluate performance and make adjustments;
- Strengthen the financial position;
- Focus budget decisions on results and outcomes; and
- Involve and promote effective communication with stakeholders

### **1.1 Purpose**

The purpose of the Camrosa Water District's Budget Policy is to provide guidelines that will influence and direct the financial management practice of the District. A financial policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. An effective financial policy: Provides principles and guidelines that minimize costs and reduce risk, maintains appropriate financial capacity for present and future needs, ensures legal compliance and maintains appropriate internal controls.

### **2.1 Budget Submittal and Adoption**

- In order to facilitate and implement the budget process, the General Manager will propose an annual budget calendar at the first regular Board meeting in January in every year.
- No later than two months before the end of each fiscal year, the General Manager shall prepare and submit to the Board of Directors a draft annual budget for the ensuing fiscal year.
- *The Board of Directors will adopt by formal resolution an operating and capital budget every year by June 30.*
- The fiscal period for the District is July 1 to June 30.

### **3.1 Balanced Budget**

- Adopted annual budgets shall ensure that operating revenues fully cover operating expenditures, including debt service within the Water and Wastewater enterprise.
- In the event of a shortfall, use of the rate stabilization fund or an inter-fund loan is allowable.

- One-time revenues shall only be used to cover one-time costs and ongoing revenues shall only be used to cover ongoing costs.
- Debt service funds shall not be utilized for operating expenses.

#### **4.1 Amendments to Adopted Budget**

- Initial appropriations (excluding carryovers and encumbrances for multi-year capital projects) will be made during the annual budget process when all District needs can be reviewed and prioritized in a comprehensive manner.
- The annual budget process will include multiple year projections.
- The General Manager has the authority to adjust the budget at the operational level within an enterprise and shall report budget performance to the Board of Directors on a quarterly basis.
- Additional appropriations from reserves must go to the Board of Directors for approval.

#### **5.1 Budget Process**

- The budget preparation process is developed by the General Manager with input from the Board of Directors.
- The District will develop its annual budget in such a manner to incorporate historical trend analysis for revenues and expenditures with an adjustment for increasing import water costs, current water demand trends, and other considerations as appropriate.
- The budget process will include a review of the current and future utility rates to determine the necessity to set a public hearing to increase rates to offset operational costs.

#### **6.1 Form of Budget**

- The budget shall present an itemized statement of the appropriations recommended by the General Manager to include estimated expenses and permanent improvements for each enterprise and program.
- Comparative data of the appropriations and expenditures for the current and previous fiscal year, as well as the increases or decreases in the recommended budget, shall be provided.

#### **7.1 Capital Budget**

- The Capital Improvement Program and the Operating Budget will be reviewed at the same time to ensure that the District's capital and operating needs are balanced and that the Capital Improvement Program is aligned with the District's long-range plans.
- Capital expenditures shall meet the requirements of generally accepted accounting principles (GAAP).



- The District will identify the estimated costs and potential funding sources for each capital project proposal.
- The District will develop a five-year plan for capital improvements including operations and maintenance costs to be updated each year.
- The District will utilize grant funding and other outside resources whenever possible.
- The District will utilize the least costly financing method for all new projects.

### **8.1 Long Term Financial Forecast**

- The District will develop a five-year financial forecast for operating and capital improvement projects; including operations and maintenance costs, and update it every year as part of the annual budget process.
- The financial forecast will identify the District's source of funds for which future capital improvement projects will necessitate.
- The financial forecast will include escalating operational cost index factor for ongoing routine operation expenditures.
- The financial forecast will identify the necessity of potential utility rate increases based upon imported water rates and operational costs.

### **9.1 Debt Service Ratios/Reserve Financial Position**

- The District will meet or exceed minimum debt service coverage ratios required by governing bond indentures.
- The District will ensure minimum reserve levels are met after appropriation of one-time capital appropriations.

### **10.1 Budgetary Control**

- The District shall prepare monthly reports on revenues and expenditures that compare budget-to-actual financial performance for Staff and reviewed quarterly by the Board of Directors.
- The District will monitor revenues and expenditures on an ongoing basis and ensure that expenditures do not exceed appropriations within an enterprise fund and program for the annual fiscal period.
- Each Program Manager is responsible for ensuring expenditures remain within budget.
- Any deviation from the Budget Policy will be brought to the Board of Directors for approval.



**Resolution No: 21-17**

**A Resolution of the Board of Directors  
of Camrosa Water District**

**Updating the Pension Funding Policy**

**Whereas**, the Board of Directors deems it essential that Camrosa Water District establish fiscally responsible management practices; and

**Whereas**, the Board of Directors recognizes the CalPERS accrued unfunded liability could potentially cause financial stress and impact the District's operations and rates; and

**Whereas**, the Board of Directors seeks to address its unfunded CalPERS liability in the most cost-efficient manner possible; and

**Whereas**, it is the desire of the Board of Directors to establish a Pension Funding Policy to provide guidance and strategies for addressing the District's retirement liabilities; and

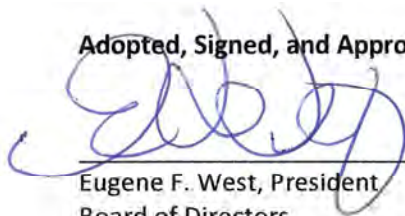
**Whereas**, the policy includes internal budgeting, policy directives and financing mechanisms for the Board of Directors and Staff to address the District's retirement liabilities; and

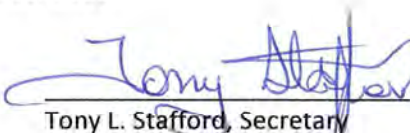
**Whereas**, it is in the best interests of the District to establish a written pension funding policy to serve as a living document, which will require periodic review and updates to take into account changes in the District's unfunded accrued liability and financial position; and

**Whereas**, the policy has been updated to implement internal controls for staff regarding procedures for additional discretionary payments;

**Now, Therefore, Be It Resolved**, by the Camrosa Water District Board of Directors, that the attached Pension Funding Policy is hereby incorporated into this resolution and adopted by the Board of Directors.

**Adopted, Signed, and Approved** this 14<sup>th</sup> day of October 2021.

  
Eugene F. West, President  
Board of Directors  
Camrosa Water District

 (ATTEST)  
Tony L. Stafford, Secretary  
Board of Directors  
Camrosa Water District

# **CAMROSA WATER DISTRICT**

## **Pension Funding Policy**

This policy is intended to provide guidance and strategies to current and future Board of Directors for addressing the District's retirement liabilities. The policy includes internal budgeting, policy directives, and financing mechanisms.

### **Background**

The District has a history of being fiscally conservative and maintaining fiscally responsible management practices. The District recognizes the unfunded CalPERS liability could potentially cause financial stress and impact the District's operations and rates. As such, the District seeks to address its unfunded CalPERS liability in the most cost-efficient manner possible.

CalPERS Normal Costs represent the cost of pension benefits earned by current employees in the current fiscal year. Normal Costs are paid as a percentage of the District's payroll. Unfunded Accrued Liability ("UAL") represents the shortfall in assets needed to fully fund prior benefits earned by employees and retirees, which occurs for a variety of reasons. UAL payments are a dollar amount adjusted annually by CalPERS.

### **Annual Review**

Addressing retirement costs is a dynamic process. CalPERS makes regular adjustments to the District's Normal Costs and UAL due to changes in investment performance, employee/retiree events, benefit levels, and actuarial assumptions. These changes will require multi-year financial planning and for the District to make corresponding budgetary adjustments. The District will therefore evaluate its pension liabilities each year.

After the release of the most current CalPERS actuarial report, staff will present a summary of the plan's funding status. This information will be presented during a public Board meeting, which will include a summary of funding status, funding progress compared to prior years, as well as any recommended actions and/or budget adjustments.

### **Target Funding Level**

The District paid off its entire UAL from available reserves in the amount of \$4,996,392 in March 2020. The District will seek to maintain a fully funded pension fund.

### **Allocation of Additional Resources / ADPs**

The District seeks to maintain adequate levels of reserves in accordance with its stated reserve goals and adopted reserve policies. The District will implement a Pension Liability Reserve Fund to manage the ongoing CalPERS UAL. The District will budget for the anticipated UAL as a specific line item in the annual budget and reserve worksheet.

# CAMROSA WATER DISTRICT

## Pension Funding Policy

### Targeting Strategies

At the discretion of the Board, the District may apply Additional Discretionary Payments (ADPs) toward the Amortization Bases with the longest remaining term (maturity) to maximize interest costs savings. Should the District seek to optimize budgetary (cash flow) impact, it may seek to apply these monies toward the Amortization Bases with the shortest term.

*All pre-funding decisions will require detailed financial analysis to be performed; and will include proper documentation of the analysis, methodology, and decision-making process.*

### STRATEGIES

The District has several different financing strategies available to address its pension liabilities. In addition to establishing a specific Pension Liability Reserve Fund, it could utilize one or more of the following strategies:

1. **115 Trust** – The District may seek to invest monies in a 115 Trust, to allow the District to match the investment options more closely to the pension liabilities.
2. **Use of Reserves and One-Time Monies** – The District maintains reserves comprised of unrestricted and restricted reserves. The District's Reserve Policy is to maintain target levels in unrestricted reserves towards the potable, non-potable, and wastewater operation and emergency reserves, rate stabilization fund, and capital replacement funds. The District may apply monies from its reserves to prepay and/or payoff its UAL with CalPERS. Repayment to the respective reserve funds from where monies for prepayment were taken will come from net operating results.
3. **Salary/Benefit Cost Containment** – During consideration of employee raises, District staff will take into consideration the impact of any raises on employee contribution levels to the Normal CalPERS costs and the UAL. During each budget cycle, District staff will perform a financial analysis of the proposed salary /benefit increases on the District's Pension Costs. This information will be presented to the Board of Directors for their consideration. Additionally, consideration may be given to requiring employees to pay a portion or all the Required Employee Contribution Rate that Camrosa currently pays on behalf of employees.  
  
CalPERS assumes that wages will increase by 2.75%, on average, over time. This measure should serve as a benchmark for analysis. Any analysis should not measure salary/wage growth on an individual year, but rather over a long-term basis.
4. **Tax-Exempt Exchange** – The District has a history of funding capital projects through a pay-as-you-go method. To the extent the District has pay-as-you-go capital projects and where it is financially feasible to finance, the District may seek to finance such projects with tax-exempt bonds or other financing methods and use the capital project's budgeted amounts for Additional Discretionary Payments. If monies are taken from reserves, then the pension Liability Fund contributions may be increased through amortizing the removed funds and repayment to the respective reserve fund.

# **CAMROSA WATER DISTRICT**

## **Pension Funding Policy**

### **Internal Controls**

District staff shall establish internal controls documenting the procedures for any additional discretionary payments towards the UAL as follows:

1. Staff will present the yearly actuarial report to the Board.
2. Board must approve all ADPs.
3. Upon Board approval, staff will initiate the ADP.
4. The Finance Manager and General Manager must review and approve the payment before submittal to CalPERS.

If approved, the District's Pension Funding Policy will be adopted by Resolution. The Policy is intended to serve as a living document, which will require periodic review and updates to consider changes in the District's UAL and financial position. Any amendments to this Policy will be made by Resolution.

## Community Profile

This section contains demographic and economic statistics of the District's community profile. It also includes service area assessed valuations, and largest customers data.

The following are key demographics. The District has chosen to use the City of Camarillo's data as representative of the District. The region also has a very large military population at the nearby Point Mugu Naval Air Station and Port Hueneme, which adds stability. The District participates in the broad and diverse Oxnard-Thousand Oaks-Ventura metropolitan statistical area (MSA) economy. Camarillo's household income levels are strong with median household effective buying income.

### Demographic and Economic Statistics Last Ten Calendar Years

#### City of Camarillo

Year	Unemployment Rate	Population	Personal Income (in thousands)	Per Capital Personal Income
2012	6.6%	66,407	2,439,394	36,734
2013	5.6%	66,428	2,613,278	39,340
2014	4.4%	66,752	2,572,222	38,534
2015	4.4%	67,154	2,586,638	38,518
2016	5.8%	69,924	2,963,380	42,380
2017	4.5%	69,623	2,933,008	42,127
2018	3.6%	68,741	3,271,440	47,591
2019	4.3%	69,880	3,231,171	46,625
2020	4.1%	70,261	3,461,602	50,186
2021	5.8%	71,898	3,407,642	49,833

The District's service area encompasses property with over \$6.5 billion of assessed valuation. District residents have easy access to jobs countywide and in Los Angeles.

### Service Area Assessed Valuations

Fiscal Year	Secured Assessed Valuation	Unsecured Assessed Valuation	Total	% Change
2012	4,539,279,662	216,151,708	4,755,431,370	-1.42%
2013	4,567,072,569	209,920,926	4,776,993,495	0.45%
2014	4,678,271,589	139,077,637	4,817,349,226	0.84%
2015	4,907,112,472	128,877,820	5,035,990,292	4.54%
2016	5,145,103,092	115,142,342	5,260,245,434	4.45%
2017	5,330,477,983	121,837,738	5,452,315,721	3.65%
2018	5,583,931,181	165,603,337	5,749,534,518	5.45%
2019	5,821,051,039	168,334,118	5,989,385,157	4.17%
2020	6,061,204,136	190,366,546	6,251,570,682	4.38%
2021	6,322,329,671	195,452,356	6,517,782,027	4.26%

**Ten Largest Water Customers  
Fiscal Year 2021**

Customer	Customer Type	Acre-Feet	Annual Revenues	% of Water Sales
Leisure Village	Residential	1084	\$ 1,314,151	6.06%
Reiter Brother Inc	Agricultural	1344	1,223,500	5.65%
Mahan Ranch Golf Club LLC	Commercial	302	508,321	2.35%
A Hartman Ranch, Inc	Agricultural	446	405,494	1.87%
Cal State University CI	Public	324	389,058	1.80%
Camlam Farms, Inc.	Agricultural	885	282,303	1.30%
City of Camarillo	Irrigation	105	206,738	0.95%
Pleasant Valley Park & Rec	Irrigation	118	204,228	0.94%
Marz Farms	Agricultural	95	178,325	0.82%
A.B.P.	Agricultural	119	145,053	0.67%
<b>Total Ten Largest Customers</b>		<b>4,822</b>	<b>4,857,171</b>	<b>22.42%</b>
All Other Customers		<u>9,213</u>	<u>16,811,048</u>	<u>77.58%</u>
<b>Total Water Revenue for District</b>		<b>14,035</b>	<b>\$ 21,668,219</b>	<b>100.00%</b>

**Ten Largest Wastewater Customers  
Fiscal Year 2021**

Customer	EDUs	Annual Revenue	% of Wastewater Sales
Leisure Village	2,162	\$ 929,359	24.11%
CSUCI	778	334,509	8.68%
Rancho Adolfo Mobile Home Estates	255	109,639	2.84%
Corte Madera/AvalonBay Communities	161	69,224	1.80%
Essex Camino Inc.	161	69,224	1.80%
Adolfo Camarillo Highschool	59	25,368	0.66%
Emeritus at Camarillo	56	24,212	0.63%
Camino Ruiz LLC	47	20,208	0.52%
Marriott Brighton Gardens	42	18,108	0.47%
Pleasant Valley School	38	16,338	0.42%
<b>Total Ten Largest Wastewater Customers</b>	<b>3,759</b>	<b>\$ 1,616,189</b>	<b>41.92%</b>
All Other Customers	<u>5,280</u>	<u>2,239,070</u>	<u>58.08%</u>
<b>Total Wastewater Revenue for District</b>	<b>9,039</b>	<b>\$ 3,855,259</b>	<b>100.00%</b>